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97A 1991



97A 1991

ISSN 1180-2987

Legislative Assembly of Ontario

First Session, 35th Parliament

Official Report of Debates (Hansard)

Wednesday 11 December 1991

Speaker
Honourable David Warner

Clerk
Claude L. DesRosiers

Assemblée législative de l'Ontario

Première session, 35^e législature

Journal des débats (Hansard)

Le mercredi 11 décembre 1991

Président
L'honorable David Warner

Greffier
Claude L. DesRosiers



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Under the new system, the sequence of numbering started in January 1991 will end with the final House and committee sittings of the present First Session. A new sequence will begin on the opening day of the Second Session, and each succeeding session, which will be issue 1 and begin with page 1. Committee reports likewise will be numbered from the first sitting of each committee in a parliamentary session.

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Avec le nouveau système, la numérotation commencée en janvier 1991 s'arrêtera à la dernière séance de la Chambre et des comités de l'actuelle première session. Une nouvelle série commencera le jour de l'ouverture de la deuxième session et des sessions suivantes : numéro 1, page 1. Les rapports des comités seront également numérotés à partir de la première séance de chaque comité pour une session parlementaire donnée.

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LEGISLATIVE ASSEMBLY OF ONTARIO

Wednesday 11 December 1991

The House met at 1330.

Prayers.

MEMBERS' STATEMENTS

MINISTER'S COMMENTS

Mr Miclash: Over the course of the past two days, the Minister of Northern Development and Mines has told this House that she fabricated allegations about a doctor in northern Ontario during a conversation, that she has apologized to those individuals involved and that she has done everything possible to correct this incident.

This minister has not apologized to the people of northern Ontario who placed their trust in her to secure for them the best possible health care. Some two years ago, the minister toured the north hearing health care concerns. On February 8, 1989, she stated in this House, "By far the most common problem was that of attracting and retaining specialists in northern Ontario."

As long as the minister remains as the Minister of Northern Development, her presence will simply compound this problem. The minister has not apologized to northern residents for jeopardizing one of the most key components of a reputable health care system for the north, that being the attraction of doctors and specialists.

I will tell members why she has not apologized. It is because the minister does not understand the gravity of the incident. It is not solely about seeing private files or slandering an individual. It goes beyond understanding the difference between a mistake and a deliberate falsehood. It is about betraying the trust of people. The minister has betrayed the trust of people who believed she would be responsible enough to act in their best interests. As a minister of the crown, she has displayed a total lack of judgement. As a result, she has lost her credibility and her dignity. Before the minister loses her integrity, she should please show that she understands her responsibilities and resign.

LABOUR LEGISLATION

Mr Cousens: The government is not listening to the concerned businesses of Ontario. The proposed Labour Relations Amendment Act will be the final straw to force business out of this province. Already there is a loss of over 160,000 jobs in this province.

Small business is the backbone of this province and business people are saying that conditions are not conducive to staying in Ontario. This level of frustration is highest here in the greater Toronto area. Walter Ho, president of the Scarborough Chinese business association, is quite explicit in conveying his feeling that prevailing economic conditions and the proposed labour legislation will deter business investment from Hong Kong. More and more Chinese businesses are looking elsewhere to invest.

Markham businesses are fed up. The labour legislation is yet another worry. This worry is distracting business

from planning for the future, thereby doing a disservice to its workers and the economy.

Yesterday's bad news from Pink Floyd Laughren should indicate to the government that business is ready to leave Ontario and that the workers of this province will be the first to suffer. There are no initiatives for business in this province from this government; there are only disincentives. This government is not doing its job. We just have to get rid of it or get it to understand that business needs leadership and not the corruption this government is good at.

STUDENT FORUM

Mr Fletcher: Our Lady of Lourdes High School in Guelph recently held a students' forum on national unity for 80 delegates from Prince Edward Island, Manitoba, Quebec and Kahnawake Mohawk Nation. This was the third forum organized by the senior students of Joe Tersigni's class in Canadian History in North America.

An article in the November edition of Canadian Living magazine describes how the students, in caucus meetings and open sessions, tackled issues such as the Oka crisis, Quebec's "distinct society" clause, western separatism and aboriginal self-government. Keynote speakers were Robert Catherwood, senior editor for the Financial Post; Chief Davis Rice, Mohawk Nation Quebec, and Keith Spicer, the former chair of the Citizens' Forum on Canada's Future.

After three days of sometimes heated debate, the students passed three resolutions: first, that Quebec be granted distinct society status in the Constitution; second, that we recognize the aboriginal right to self-government and, finally, that the Prime Minister call an immediate first ministers' conference which includes aboriginal delegates to solve our constitutional crisis.

The students sent their resolutions by telegram to Prime Minister Brian Mulroney.

Mr Tersigni is already planning his third forum, called Canada Round Forum '92. On October 2 of next year, five delegates from each province, five Innu and first nation delegates will gather in Guelph.

I say to my colleagues of all parties that if Joe Tersigni's students can work together to resolve key controversial issues, surely we can do it for the people of this province and surely our federal representatives can do it for the nation.

ONTARIO ECONOMY

Mr Phillips: It is increasingly clear that the New Democratic Party government is creating a bleak future for the people of Ontario.

In the first year of this government, it developed a four-year fiscal plan that is devastating the fiscal stability of this province. It has managed to put in place a plan that will mean, without question, massive new taxes, huge deficits and a doubling of the debt. In fact, at the end of the

regime of this government every working person in this province will personally owe \$16,000 worth of debt.

In spite of the fact that the economy in 1991 actually performed better than the Treasury people predicted, it has created a massive fiscal problem in 1991. Now we are beginning to see the impact of its economic plans. Daily we see bankruptcies, plant closures and growing despair among the unemployed.

As we look at the economic renewal plans of the government, they are at least six months away, and each of the aspects of its economic renewal plan is, in our judgement, questionable. The Labour Relations Act changes will create turmoil. The Ontario Training and Adjustment Board, which is fundamentally a sound conceptual idea, will be managed by the unions. In our opinion, the union venture capital plan will not work.

The 500,000 people who are unemployed in this province are looking for action from this government. We need action now, not six months from now, and not action that will not work.

1340

AGRICULTURAL LAND

Mr Turnbull: The commission on planning and development reform in Ontario, headed by John Sewell, sets out a number of conditions which would have to be met before good farm land can be developed, including preparing a 20-year plan that must show there is no good, practical alternative.

In May 1991 the ministry announced its plan to construct an eight- to 10-lane highway through the heart of the town of Newcastle. This southern route will destroy thousands of acres of prime farm land, while the alternative northern route would cut fewer farms in half and destroy less agriculturally developed and agriculturally suitable land. A videotape has been sent to the Ministry of Transportation proving this point.

Contrary to a report from the Ontario Ministry of Transportation consultants, the town council of Newcastle has not endorsed the government's proposed route. It has instead scheduled a public meeting on Monday, January 27, for consultation with the public on this very important issue.

I call on the Ministry of Transportation to respect the opinion of the people of Newcastle on the location of this highway through their community and to honour the government's commitment to save valuable farm land.

WORLD ICE FISHING CHAMPIONSHIP

Mr O'Connor: As we approach this winter season, residents in my constituency are preparing for the winter sport of ice fishing. This sport has been gaining in popularity and this winter is going to have a greater impact economically than in previous years. Members may ask me why. I will tell them.

This year the World Ice Fishing Championship, which has never been held outside Europe, is being hosted in my riding by the town of Georgina. This international event is going to have five teams from more than 30 countries competing on the ice of Lake Simcoe, from Jackson's Point all the way around to Beaverton.

This year, for the first time, the derby will focus on a catch-and-release policy. Competitors will be allowed to keep a trophy-weight fish but are very responsible in making sure that any damaged fish are kept as well. They are going to use this policy to demonstrate an action of conservation of the fish stocks in Lake Simcoe.

The World Ice Fishing Championship, which takes place from February 5 to 11, will wind up on February 10 with the closing ceremonies at De La Salle Park in Jackson's Point. The dinner festivities will take place at The Briars. February 11 is going to be a day left free for the residents to show off their community and for the competitors to visit and tour around their host country. I invite all members of this House to take an opportunity to come up to that event.

MINISTER OF NORTHERN DEVELOPMENT

Mr Brown: I rise on behalf of the people of the north. The people of the north struggle every day. The jobs they once took for granted are disappearing. Unemployment, welfare rolls and deterioration of the health care system are the issues northerners are thinking about and worrying about.

The Minister of Northern Development has a responsibility to northerners. The Minister of Northern Development is the north's voice at the cabinet table. The Minister of Northern Development must be a strong advocate for northern jobs, northern health care and a myriad of other northern issues.

We cannot afford to have a Minister of Northern Development who pits one northerner against another northerner. We cannot afford to have a Minister of Northern Development who writes the district welfare board to have an NDP alternate provincial representative appointed. We cannot have a Minister of Northern Development who interferes with the College of Physicians and Surgeons of Ontario. We cannot have a minister who slanders northern physicians. We cannot have a Minister of Northern Development who clearly believes the end justifies the means.

The north more than ever needs a strong voice, an uncompromised voice, a voice that carries the weight of a northern consensus. The north deserves better.

POST-SECONDARY EDUCATION

Mrs Cunningham: In his 1990 throne speech, the Premier said, "To face the challenges of the 1990s effectively, we must become a learning society, where education and training are seen as fundamental to individual growth, where investment in people is understood to be as important as investment in capital or in research and development."

After waiting a month with absolutely no reply from the Premier's office, the council of board chairs of Ontario universities was told it will not be granted a meeting with him. The council of chairs asked for the urgent meeting in late October, following a \$13-million clawback of promised funds to colleges and universities. They were part of the universities' base at that time. The board chairs wished to discuss the urgent need to establish a multi-year plan, which is something we have been urging the Minister of Colleges and Universities to provide for months now.

The students of this province ask whether post-secondary education is truly a priority with the Premier's government, as promised during and before the election campaign. If it is, we urge the Premier to keep the promise of his open-door policy and invite the board chairs to meet with him as quickly as possible.

TASHI RABGEY

Mr Drainville: I want to thank the members of this House who have sent notes of support, as my father has been very sick recently. I appreciate the kind words that have been expressed in this House.

I would like to bring a young woman to the attention of the House. Her name is Tashi Rabgey. She is from Lindsay, Ontario. Her parents are there. They were Tibetan refugees who came to Canada and found a home in Canada. She has just been named a Rhodes scholar. I believe it is very fitting to raise this issue here because we are always looking in Ontario for those people who seem to exemplify excellence. Indeed, in her studies at the University of Toronto she has shown such leadership and excellence in her studies that she has been awarded this Rhodes scholarship. She will be going to Oxford and will be studying international relations there.

I want to say how proud I am to have a member of my constituency given such an honour as a Rhodes scholarship. It is my hope, and I believe the hope of every member in this House, that Tashi will go forward to Oxford, distinguish herself there, come back again to Canada and give the leadership we always need in this country so that we might build a bigger and better future for the people of this province.

Mr Malkowski: Mr Speaker, I rise today on a point of privilege in response to the statement made by the member for Mississauga South on cochlear implants last Monday with respect to the W5 interview. My views on cochlear implants have clearly remained on the editing floor. I do not oppose government funding on cochlear implant research or development, nor do I—

The Speaker: Order. To the honourable member for York East, I realize this is a point of considerable interest to himself, but it is indeed not a point of privilege. I thank him for attempting to bring it to my attention.

VISITORS

The Speaker: Before proceeding with our routine proceedings, I invite all members of the House to welcome this afternoon, seated in the Speaker's gallery, Ms Joan Sawicki, Speaker-designate of the Legislative Assembly of British Columbia, joined by Mr George MacMinn, the deputy clerk. Welcome to Ontario.

1350

ORAL QUESTIONS

MINISTER'S COMMENTS

Mrs Caplan: I have a question today for the Minister of Health. Very serious allegations have been raised. I would like to ask the minister if she could help us explain what appears to be at least a contradiction. According to a Toronto Star article, Dr Robert MacMillan, whom I know

well and whom I respect, has said, and I quote, "Someone had broken their oath of allegiance." Could the Minister of Health please say if she knows whom Dr MacMillan was referring to?

Hon Ms Lankin: I am sorry. I would appreciate it if the member could send over a copy of the article so I could actually see that article and the statement. It may help me and I might be able to answer the question, but based on what the member has said I am unable to answer that question.

Mrs Caplan: As I said, these are extremely serious allegations. The minister now has a copy of the news article I am referring to. It is the second paragraph, "I almost fell off my seat when I learned that someone had broken their oath of allegiance," and further in the article, and this is a direct quote, "Someone has made someone outside the ministry aware of the document." Would the Minister of Health be aware of what document Dr MacMillan is referring to that was released to someone outside the ministry, and could she identify who that person was?

Hon Ms Lankin: Last evening I became aware as a result of a phone call from a member of the press gallery to my office and to other individuals in the ministry. The detailed level of knowledge behind the questions that were asked gave me serious cause for concern that within the last couple of days confidential information may well have been revealed to individuals outside the ministry.

I do not fault the individual reporter or the media. They are following up on information they were provided with. But the level of detail of questioning, referring to an internal OHIP document, gave me cause for concern. I can assure the member that at this point in time I am not aware of how that information was revealed, but I think it is so serious a concern that I have instructed my deputy minister to write—this has taken place—to the freedom of information commissioner and request that an investigation be carried out with respect to that.

Mrs Caplan: In this House on December 9 the minister was very clear in her response when she said that she was satisfied no confidential information had been given to the Minister of Northern Development. Is she prepared to say that today, in light of the information that very clearly information was given to the Minister of Northern Development or her staff? If the Minister of Health was aware of that, then she seriously deceived and misled this House.

Hon Ms Lankin: Based on the review of all the facts I had available to me when I made the statement, I was very confident information had not been shared with any MPP or with the Minister of Northern Development and Mines. Last night the information I became aware of was specifically with respect to information one member of the press gallery has. In response to that, I believe a leak of confidential information has taken place.

I have followed up on that. I have held meetings with all the people involved. To the best of my review of it at this point in time, I am still of the opinion that this information was not shared with the Minister of Northern Development and Mines or any other MPP. It appears to me at

this point that it has been shared with a member of the media.

However, it seems to me that it is such an important issue of a potential breach of confidential information under my ministry, for which I have responsibility, that I have directed the deputy minister to ask the freedom of information commissioner to conduct an investigation. I think that is appropriate and I will certainly share the results of that with all members of this House.

Mrs Sullivan: My question is to the Minister of Northern Development. Yesterday outside the House the minister, in response to questions from the media, said: "No one gave me anything. No one showed me anything. No one told me to say anything. I did not see anything."

The minister is aware, however, of a story that was heard over CBC North this morning where another Sudbury doctor described a recent meeting with the minister and another physician, and at that meeting the minister told those doctors that she was totally familiar with their files. We understand that today Dr Robert MacMillan is saying, "I almost fell off my seat when I learned that someone had broken their oath of allegiance." What information did the minister have in that meeting and how did she use that information in that meeting?

Hon Miss Martel: I am pleased to respond to the question. I have a copy of what was said by Dr Hollingsworth this morning. He said, "She told me she had seen my file when I met with her." We met in this House two weeks ago. At that point in time we discussed two things, the very serious situation with respect to doctors and retention of doctors in Sudbury, which I am very concerned with, and second, the underserviced-area program, in which Dr Hollingsworth is a participant.

The file that I have seen with respect to both him and Dr Kosar is the file I have in my hand, which is public information with respect to all the doctors in the province who are involved in the underserviced-area program. If I might, Mr Speaker, I would like to table this with both yourself and the two members.

Mrs Caplan: We can't believe a word she says; one lie after another.

Interjections.

Hon Mr Cooke: On a point of order, Mr Speaker: The member for Oriole can say whatever she wants to say, but she cannot continue to call a member of the House a liar. That is what she just said. She said "one lie after another." She must withdraw that comment.

The Speaker: The Speaker is at a disadvantage in that he did not hear the comment.

Interjections.

The Speaker: Order. If indeed the member did make an accusation of another member of the House, it would be appropriate to withdraw that. The Speaker did not hear what was said and under those circumstances a request is always made of the member involved, if in fact the member did say what was alleged, to withdraw the remark. We do not accept allegations of lying across the floor of the House. Could the minister succinctly complete her response.

Hon Miss Martel: The importance of the information that was relayed to the doctor was that in fact he is part and parcel of the program and therefore exempt from the threshold. He had a concern about this because he had said very clearly on another occasion in Sudbury that he felt he was going to be affected and that he would have to leave the community. I assured him that the information that was contained here made it very clear that he was on the program and that he was exempt from the threshold. By the time he was off the program, which would be in June 1992, we surely would have resolved the situation in Sudbury long before then.

Mrs Sullivan: I would like the minister to confirm or deny that in the conversation with those two physicians she also discussed the situation of other physicians from Sudbury, including one physician whom she also discussed at a meeting three days later on December 5, and that she discussed with those doctors that physician's billing practices and medical practice and indicated her concerns to them, naming him by name, and that she also discussed with those doctors other physicians in the Sudbury area who she indicated she knew were over the billing cap.

Hon Miss Martel: When I became aware of the situation in Sudbury, I asked the Ministry of Health for two things: information with respect to the underserviced area program, which is public, and second, numbers with respect to the physicians or specialists who were going to be exempt, who were going to have a problem with the threshold in northern Ontario—

Mrs Caplan: A briefing of what was going on. They gave you confidential information and you broke your oath of allegiance.

Hon Mr Cooke: Mr Speaker, you have to have heard what the member just said. The member cannot accuse a minister of the crown of breaking her oath of allegiance. She cannot say that. She said it as a statement of fact. She must withdraw.

Interjections.

1400

The Speaker: I confess that at the moment the alleged remark was to have been made I was concentrating completely on the reply by the minister, which is my responsibility to do. I would advise all members of the House to please, especially during a very difficult situation, try to use temperate language so that we can deal with the issue in a very common, reasoned way. Intemperate language does not assist this process at all.

Would the minister complete her response.

Hon Miss Martel: I asked the Ministry of Health for two things. Number one was information with respect to the underserviced area program, because I knew that those who were on the program would not have a problem with the threshold. I also asked the ministry if it could provide me with public information with respect to how many people may be affected by the threshold, because it was my concern that there would be a very large number in Sudbury or in northeastern Ontario, and that would leave

me in a very difficult position as Minister of Northern Development.

The ministry supplied me with numbers, which were also very public, which were also given to the doctors, which said three things: There are 35 people who could be affected by the threshold; 17 of those are in Sudbury, and 13 of those 17 are specialists and four are GPs. So I knew those numbers and I very clearly gave those numbers to the doctors. That is public information.

Also, I should point out to the member that there have been doctors who have been dealing directly with me because they would like me to help their case. They have told me clearly they are over the cap, and it is those particular physicians I have been working with, in conjunction with the Ministry of Health, to try to resolve the situation.

Mrs Sullivan: The minister clearly did not understand the point of the question. The point of the question was whether she would deny that indeed she discussed with two physicians the position and her own concerns and passed on information, which was the same information she passed on in a so-called private conversation in a public scenario, about a third physician to two physicians who met with her on the Monday previous, and that this information was indeed confidential information, subject to all of the regulations and privacy requirements relating to the Ministry of Health, protection of privacy of physicians' practices, and that this information was disclosed at that time to those two physicians.

Hon Miss Martel: Again, I have never had access to any confidential information with respect to billing or OHIP on any physician or any specialist in Sudbury or anywhere else. I have never seen that information. I have never been given it verbally over the phone. I have never reviewed any confidential information.

The discussion that took place between Dr Hollingsworth and another doctor and me was with respect to the serious situation in Sudbury, some of the doctors who were affected, those doctors I had met with two days before in Sudbury in order to find a resolution to their problem and, second and most important, the underserved area program, which showed clearly that one of the doctors I was having the conversation with and several others were on the underserved area program, were therefore not subject to the threshold and in fact were not in any danger of leaving the community. That was the kind of conversation we had.

Mr Harris: To the Minister of Northern Development, I would like to quote Dr Hollingsworth from a transcript of CBC This Morning: "I didn't realize that the politicians were entitled to have our files, but Miss Martel did have my file. She told me she'd seen my file when I met with her." He goes on: "I'm saying she told me she'd seen my file. She knew when I entered the underserved area program. She knew statistics about me that, I must say, I didn't know myself."

This conversation took place in the east lobby, I believe, with Dr Kosar present as well as Dr Hollingsworth. The minister is saying she has not seen Dr Hollingsworth's file. Dr Hollingsworth is saying she told him she did see his

file. Is Dr Hollingsworth lying? Is Dr Hollingsworth's understanding of this conversation incorrect, or did in fact the minister see information on Dr Hollingsworth that, in hindsight, she now realizes she ought not to have seen?

Hon Miss Martel: The information I saw on Dr Hollingsworth is contained in this document, which is a public document. It was released to the Sudbury and District Medical Society and to the meeting that took place in Sudbury last week. It was also public information, which is why I got it from the Ministry of Health in the first place, so that I could determine, as the local member, which specialists or which physicians were on the program and therefore were not subject to the threshold and would not be in any danger of leaving the community.

Dr Hollingsworth and I talked about two things. We talked about the very serious situation in Sudbury, which I agreed was a serious situation, and I told him very clearly I was working towards finding a resolution. Second, we talked about the underserved area program, because very clearly he was our participant in it. He did not realize that under the terms of the agreement he may in fact not have a problem. He is on the program until June. He is not in any conflict or danger right now of having to leave the community.

Those are the discussions we had. The information I had access to and had seen was this file which I have sent to the members today.

Mr Harris: The information in this file has supposedly no identifying information of whether anybody is threatened by the cap or not, unless the minister was able to piece that together with some other information.

I spoke with Dr Hollingsworth today. He says the minister told him at that same meeting in the east lobby that she had access to Dr Steve Kosar's file. He does not say that the minister saw Dr Kosar's file but that she had access to Dr Kosar's file. Could the minister tell me how she would have access to Dr Kosar's file?

Hon Miss Martel: The information I am referring to is this. If the member will take a look into the kit, he will see that Dr Hollingsworth's name is in here with respect to the underserved area program, and so is Dr Kosar's. I received that information from the Ministry of Health when I requested information on the underserved area program. Both those doctors are participants in the program, and for the length of time they are in the program, they are exempt from the cap. Therefore, they will be able to bill. There will be no limit to their billing. In both cases the information I had came from this information which was released publicly in Sudbury last week.

Mr Harris: The minister, in her conversation in Thunder Bay, was obviously releasing information that she now says she made up. She just lied at the time, I think is what she told us, not in the House, to try and make the point of her argument or to defend the government. But it stretches credibility that the information in that Thunder Bay conversation just came off the top of her head.

We have asked her in the past about files. She has told doctors she has seen their files: several different ones, two different meetings, two different times. She used information

in Thunder Bay that would indicate she had seen files. We have heard from Dr MacMillan that confidential information has been sent out. He is not sure who has seen it, but the minister has given out information that leads many of us to believe she has seen it.

Are we to believe that she lied in Thunder Bay and now she is telling the truth? Given all the information that has come out in the last couple of days, somehow or other there is one smelly, huge coverup by her, the Minister of Health and the Premier's office.

Hon Miss Martel: Two things: Yesterday I thought I had made it clear in this House. When it was apparent I had not, I said very clearly outside that I have never had access to any confidential files, any confidential information. No one has called me over the phone with any confidential information. No one has sent me any confidential information to review. The comments I made in Thunder Bay were my own and only my own and there is no one else to blame there.

With respect to the conversation that took place here with Dr Hollingsworth and Dr Kosar, we talked about two things: the serious situation in Sudbury with respect to medical practitioners and the underserviced area program. I said very clearly to them that I had seen information with respect to their particular situation. What exactly I was referring to was the underserviced area program, which I had seen and which is a public document.

I certainly told them very clearly that they were both part of the program, that in the case of Dr Hollingsworth in particular, he was on the program until June—therefore, at the immediate point in time there was no concern that he might leave the community—and that it was my understanding and certainly my hope that we would have a resolution to this problem long before June of next year.

1410

Mr Harris: We have two new pieces of information today: one, confidential information which ought not to have been released regarding a Sudbury doctor was released, was easily accessible; two, another Sudbury doctor says the Minister of Northern Development told him she had seen his confidential files.

Would the Premier not agree with me it is time to put an end to this charade? Will he ask the Minister of Northern Development to step down and will he undertake a full investigation of the Minister of Health, of how the confidential information was released and how it is being used by his ministers of the crown?

Hon Mr Rae: First of all, there is an investigation now under way by the freedom of information commissioner with respect to the statement by Dr MacMillan about information that was released that in his opinion should not have been released. I think all of us are troubled by that fact. It is entirely appropriate that an investigation independent of the government—the freedom of information commissioner responds directly to this Legislature—be carried out by the commission with respect to whatever information it is, whoever it is alleged this information was sent around to or how it became available to someone

outside the Ministry of Health. That investigation is taking place with respect to the statement by Dr MacMillan.

The second question, and it is a separate question, has to do with the interview this morning on Sudbury North with respect to Dr Hollingsworth. I think the minister has clearly indicated that the information she was referring to in any conversation she had with Dr Hollingsworth or Dr Kosar is information which is available, information which has been provided to the media in Sudbury and has been provided to the Ontario Medical Association, having to do with the doctors who are part of the underserviced area program.

The Speaker: Will the Premier conclude his response, please.

Hon Mr Rae: That is what the minister has told me, that is what the minister has clearly told the House, and I think the minister's word in a matter that is as basic as this is something that she has clearly given to the House with respect to whatever information she discussed with Dr Hollingsworth and Dr Kosar.

If the member has any other indications with respect to information—

The Speaker: Would the Premier take his seat, please. Supplementary?

Mr Harris: This is the third day we have been trying to get to the bottom of the matter involving the Minister of Northern Development. As each day goes by, more and more information becomes available. All we have had from the Minister of Northern Development for two days, when we asked how she had the information that she regrets having used in Thunder Bay, was the same tightly scripted, orchestrated non-answer.

It is very obvious to me, and I think to members of this House and the public, that there is an organized, systematic coverup of this whole affair going on. I would like to ask the Premier very directly: Is he or is his office involved in coaching the ministers and being part of this coverup?

Hon Mr Cooke: On a point of order, Mr Speaker: I think it has been indicated several times in this Legislature that a member of the opposition or anyone else cannot accuse another member of the Legislature of being part of a coverup. I would ask for that to be withdrawn.

Interjections.

The Speaker: Order. Regarding the point of order raised by the government House leader, on occasion allegations are made in the House, allegations across both sides of the chamber. What is most helpful, of course, is that those allegations not contain language which is inflammatory and indeed leads to disorder. In that regard I will allow the question to stand and ask that members please keep in mind that we should not use language which in fact does create disorder. The member had completed his question, if the minister could then respond.

Hon Mr Rae: I understand, and I am sure all members do, that if there are disagreements in the House with respect to something that has happened or has not happened, there immediately will be an allegation that someone

is covering up or that someone is lying or that someone is a crook or a crud or whatever it may be. I want to say to the honourable member, the facts as I know them are as follows.

There will be many occasions on which we will have a chance to meet in many different forums, and I say to the honourable member, I have many disagreements with him with respect to public policy. I regard him as a man of integrity and as somebody who would not engage in a coverup within his own organization in any way, shape or form. He may choose to have whatever opinion he wants of me; that is up to him.

I would simply say very directly to him that what I know is as follows. Last week the minister had a conversation with doctors here, at their request, at which time she had information about the underserviced area program, which information was released in Sudbury, was publicly available, is information one can readily get with respect to which doctors are members of the underserviced area program.

The minister has told me and the House that she has had access to no confidential information. The question of the confidentiality of information which is referred to by Dr MacMillan is being investigated now by the freedom of information commission, which is where the investigation should take place.

I can say directly to the leader of the third party, that is what is taking place and that is what has happened. I am answering his questions as directly and as forthrightly as I can. We may disagree, but surely we have not reached the point in a democracy where people of integrity cannot have a disagreement without referring to the integrity or lack of it of the people with whom they are in disagreement.

Mr Harris: On November 20, 1990, a new government was sworn in in Ontario.

"My government's first challenge is to earn the trust and respect of the people of Ontario. My government's integrity will be measured by the way this government is run and our relations with the people we serve. Our task is to guard against institutional arrogance and the abuse of power wherever they exist.

"We will set clear standards of behaviour for the conduct of ministers...."

The longer the Premier lets this go on, the worse he is making it for everyone, including his government. Surely he does not believe that the Minister of Northern Development has credibility lobbying for access to northern specialty health services today. Surely he does not believe that.

He is making it worse for everyone. The Minister of Northern Development is either guilty of slander or she is guilty of releasing confidential information. That is the bottom line. He can try and cover it up all he wants, but those are the facts. Those are the two options.

Why will the Premier not ask for the minister's resignation today in light of the statements he made at the swearing in and in the throne speech on November 20, 1990?

1420

Hon Mr Rae: The member for Sudbury East, the Minister of Northern Development and Mines, has told the House, has told me and everyone here that she had no access to confidential information. That is what she has said.

I would say to members, and I say to members of the public, if the minister says that and if the member has information to the contrary or if he believes that—

Interjections.

The Speaker: Order.

Hon Mr Rae: If the member has any information to the contrary with respect to the conduct of the minister, then he has an obligation to bring it forward as do other members.

Interjections.

The Speaker: Would the Premier take his seat, please.

Interjections.

The Speaker: Premier.

Hon Mr Rae: That is really what I wanted to say. The member has already indicated very clearly that she has had no access to confidential information. The minister had a heated conversation with a former Conservative candidate in Thunder Bay. She has apologized for that conversation and assured me and everyone else that she had no access to any confidential information. I take the minister at her word in that regard.

Mrs Caplan: My question is to the Minister of Northern Development and Mines. It is a simple question. We know she did not make up anything in her heated conversation in Thunder Bay; nobody believes that. We know she had access to information, even though yesterday in this House and outside to reporters she said no one gave her anything, no one showed her anything, no one told her anything and she did not see anything.

We want to know who gave the minister the information. Did her staff get it from the Minister of Health's staff? Was it from somebody directly in the Ministry of Health? Where did the minister get the information that breached confidentiality about a Sudbury doctor?

Hon Miss Martel: As clearly as I can, I have never received any confidential information about any physician or specialist in Sudbury. I have never received any information with respect to OHIP, invoices, billings or physicians.

Mrs Sullivan: Then where did she get it?

The Speaker: Order.

Hon Miss Martel: I have never had that information sent to me. I have never had a conversation over the phone with anyone who gave that to me. I have never reviewed any confidential information with respect to any physician or specialist, none.

Mrs Caplan: The minister has been in this House as a veteran since 1987. She is not a newcomer. How can she stand in her place, give those answers and expect anyone in this province, particularly people in northern Ontario she has spoken to and will speak to in the future, to believe a word she says or have confidence in anything she is

saying? Does the minister not believe the honourable thing is to step aside?

Hon Miss Martel: I will say it again as clearly as I can. I have not had access to any confidential information at all with respect to billings, OHIP numbers or any income statements for any physicians or specialists. During a very heated conversation in Thunder Bay—

Interjections.

The Speaker: Order.

Hon Miss Martel: —I made comments which I deeply regret. I made those comments, no one gave me any information, I made them myself. I have apologized as best I can. I have tried to resolve the problem as best I can and that is the action I have taken.

Mr Harris: The Premier told us he did not discuss this issue in any detail with the minister until yesterday. I am trying to get at the issue of who is orchestrating what appears to me to be a major coverup. I asked the Premier if he was orchestrating that coverup. I did not accuse him, I asked him. That was the question.

The Premier told us he did not discuss the issue in any detail with the minister until yesterday, yet on Monday, the day before he was given full details, he said that he would not consider the minister's resignation, that she had done nothing to warrant her resignation. Since he did not have all the details, as he has admitted to us and told us, on what did he base his decision on Monday that is now the decision he is going to try to defend to the death? What did he base his decision on then?

Hon Mr Rae: The honourable member uses words like "orchestration" and "coverup" and all the rest of it. We are here in the House. We are answering the questions and we are answering them as directly as we can. Any information he has is directly responded to with respect to the questions he has here. What I am relying on today is every indication from the minister that what happened was that she lost her temper in a conversation on Thursday evening and that she regrets what has happened, and clearly answers today and at any other moments that she has had no access to any confidential information.

Mr Harris: For two days when the minister was asked about the confidential information she used in Thunder Bay, she continually replied in evading the answer to the question, "The allegations I made were unfounded and untrue." That was the answer. She did not answer the question about the information. She just kept saying, "The information I used was unfounded and untrue."

Was it the Premier or his office that advised her to give that answer to whatever question came along for two days in the Legislature?

Hon Mr Rae: Question period is a time when ministers answer questions. The two conversations of any length that I have had with the minister were yesterday and today. I had another conversation with the minister today because of the information with respect to Sudbury North that was obviously on the airwaves and with respect to other stories in the newspapers. I asked the minister several questions about her explanation as to what happened. That is the

beginning and the end of the discussions I have had with the minister with respect to what has happened.

HIGHWAY RECONSTRUCTION

Mr Wood: My question is for the Minister of Transportation. As the minister knows, in my riding of Cochrane North, Highway 11 plays an important role in the economic and social infrastructure by linking many communities together. What is the status of the Highway 11 four-laning project through the town of Kapuskasing?

Hon Mr Pouliot: The project that began in 1985-86 is near completion. The work will be completed in the fall of 1992. We are talking here about 350 jobs for the duration of the project. Because of its definition, because it is a link between Kapuskasing and Highway 11, yes, members have guessed it, 90% will be funded by the taxpayers of this province—\$8.89 million, value for money indeed. I welcome the question.

Mr Wood: The people of Kapuskasing have found the paving project that was completed in 1990 showed signs of premature surface deterioration in some areas. What will be done to rectify this problem?

Hon Mr Pouliot: During these difficult times, we are so appreciative and thankful that we have at Transportation a maintenance guarantee. Winter has set in; let's be cognizant of the conditions. But as soon as the snow melts, the contractor, at no additional cost to the province, will rectify the situation. It is a matter of a few months but we are right on top of it. The work will be done.

1430

NORTHERN HEALTH SERVICES

Mr Miclash: My question is to the Minister of Health. The Minister of Health will realize that I am a member from that other part of the province, the north. She will also realize that in my statement today I quoted the Minister of Northern Development, who actually came into the House on February 8 and stated that by far the most common problem was that of attracting and retaining specialists in northern Ontario. The Minister of Health and the Minister of Northern Development are responsible for recruiting health care professionals to our northern areas.

In light of the slanderous comments made on two occasions by the Minister of Northern Development—I am referring to the one in Thunder Bay on December 5 and the comments made in the east lobby on December 2—in light of those comments made by this minister from the north, against a doctor in Sudbury who was at odds with a government policy—we know he was at odds with one of the government's policies—what impact does the minister feel this will have on attracting health care professionals to our northern communities?

Hon Ms Lankin: The underserved area program, which is a program that both I and the Minister of Northern Development have responsibility for, is an important policy initiative to continue to support and refine and make it even more effective.

Over the course of the last number of years, the program has effectively attracted and helped us retain a number

of general practitioners in the north. The situation with respect to specialists in the north is still a problem. I think the whole discussion with respect to the thresholds and the impact of thresholds on specialists and their retention in the north, and all the attendant publicity and all the attendant discussion that has taken place here in this Legislature with respect to this issue and all the issues the member has raised, help us focus on the need to ensure that program is effective and working.

I have indicated publicly and to the Ontario Medical Association that I continue to review that program. I think we can make some changes that will make it more effective and address some of the concerns that have been raised by the specialists which have given rise to all this controversy and debate.

Mr Miclash: That was a lovely description of the program, the underserviced area program for the communities in the north. We know about that. That is not the question I asked.

When the minister talks about the underserviced areas, I look around my riding. If I take a look at the riding to the south, the riding of the Attorney General, we have three communities in that riding—Rainy River, Fort Frances and Atikokan—that are today looking for doctors. If I take a look at the riding of the Minister of Transportation, we are looking at Marathon and Pickle Lake, both looking for doctors to come to their area. Ear Falls in my riding is looking for a doctor today.

The question I asked the minister was, how does she feel about the statements made by the Minister of Northern Development in attracting those professionals we need in the north? We need them now. We have 30 communities that I have listed right here that need those specialists now. How does she feel about the statements made by her colleague in attracting those professionals to our northern communities? That is the question.

Hon Ms Lankin: I believe I answered the question. I said that all the debate, including many of the statements that have been made by doctors in the media and by many members of the media and the public in the north, draws attention to this issue and the need to further improvement of the underserviced area program. I believe it is not just an issue of attraction; it is an issue of retention. I believe we have to really focus on getting people the right information.

I would say, and I have said publicly in the northern media, that I think there is a tremendous amount of misunderstanding about the impact of the thresholds with respect to the practices of northern specialists. I continue to say that. I think the kind of information discussion that the Minister of Northern Development held with the two doctors here in the east lobby, which the member made reference to, specifically was trying to clear up some of that. It says to those doctors: "Here on public record it shows your period of service. Under the underserviced area program you are clearly, by the way in which the exemptions have been set up under the threshold, not affected by the threshold for that period of time."

I think there are a number of other things with respect to the exemptions that have already been offered under the

threshold program that many northern doctors do not understand. The bottom line, however, is that I agree with the member in terms of the need for improved health care services to people in the north. I think northerners have been fighting for so long, too long. Quite frankly that is where my concern lies. We will try to make the improvements with the profession that will attract and retain more specialists in the north.

NOTICE OF DISSATISFACTION

Mr Miclash: I would like to give notice at this point that I am not satisfied with the answer to that question, a very specific question, and that I request a late show.

The Speaker: The member will file the necessary document with the table, please.

MINISTER'S COMMENTS

Mr Harris: I have a question for the Minister of Northern Development. On Monday and on Tuesday in this House, and as had been quoted in numerous media reports with reference to the comments that were made in Thunder Bay, the minister said, "The remarks that were made were my own...they were unfounded and not based in fact." Could the minister tell us what those remarks were that were unfounded and not based in fact that she made in Thunder Bay?

Hon Miss Martel: No, I will not. It seems to me that I have faced up to a situation which is a very serious situation. I have offered my apologies to those involved. I do not think anything would be served by my repeating comments which were unfounded, either here in this House or in public.

Mr Harris: The minister is well aware there are two issues here. First, I and most members of the House and most observers who have read the Premier's conflict guidelines believe that if somebody maliciously slanders, in her capacity as a minister of the crown, another member of this province, she should resign. That stands all on its own. The second issue is one that is obviously going to be pursued for quite some time, and that is, who had access to this confidential information and how did it get there? That is a bigger issue and may involve more ministers and in fact even the Premier.

But on the first issue, I think what the minister said to a number of members of the public, that she now tells us was unfounded and was untrue, is important. I think what I have heard is very germane, as a matter of fact, to why it is inappropriate for her to carry on as a minister of the crown. I ask the minister again what it is she said in Thunder Bay that was unfounded and untrue.

Hon Miss Martel: As I said in response to the first question, I do not think there is anything to be gained by my repeating the details of a private conversation. The situation is bad enough. I do not think there is absolutely anything to be gained by repeating them here or anywhere else.

Interjections.

The Speaker: Order. Will the member for Willowdale please come to order?

AUTOMOBILE INSURANCE

Ms M. Ward: My question is for the Minister of Financial Institutions. The minister announced major changes to Ontario's auto insurance system, including new and enhanced accident benefits—

Interjections.

The Speaker: Order.

Ms M. Ward: I will begin again. My question is for the Minister of Financial Institutions. The minister announced major changes to Ontario's auto insurance system, including new and enhanced accident benefits for drivers who are hurt. We know that many people were not adequately compensated and in some cases were not compensated at all under the system brought in under the previous government. I am thinking in particular of children and students. Could the minister please explain how young accident victims will be compensated under his proposed reforms?

1440

Hon Mr Charlton: There are two parts to the compensation that would flow to young children, depending on the circumstances in which they found themselves. First, they have full access to medical care rehabilitation benefits and up to \$36,000 a year for attendant care, if such is required. In addition, any young student who is forced to miss a year of school as a result of an auto accident would get a lump sum of \$2,000 for an elementary year, \$4,000 for a secondary school year and up to \$8,000 for a university or community college year.

In addition to that, the young child who is permanently injured would start receiving income replacement benefits at the age of 16, would receive \$185 a week for six months and then would start the escalation to the average wage at age 30, which would be indexed for the rest of that child's life if the disabilities were permanent.

Ms M. Ward: I have also been concerned about the old system's failure to recognize the valuable work of care givers who are injured in car accidents. The benefit of \$50 a week to pay for child care was an insult, and there was no recognition at all that many others in our communities work at home looking after adults with disabilities. When these care givers are hurt their dependants need outside support. Most care givers do not receive an income for the work they do and so they cannot claim income replacement if they are hurt. How is the minister planning to change the system to recognize and compensate care givers for the work they do?

Hon Mr Charlton: I thank the member for the question because this is one of the issues that has been somewhat inadequately represented in the media coverage of the package so far.

The benefits for dependant care—that includes day care or additional assistance in the home in dealing with an adult dependant—would move from \$50 per week to \$250 per week for the first child in question and an additional \$50 per week for each additional child.

The member is also correct that care givers have been significantly discriminated against in the past in terms of access to income replacement benefits because they were

not working and therefore were deemed to have no economic value. In the case of the care giver here, the member should know that the individual care giver would get benefits after six months equivalent to 90% of net income in terms of whatever last income they had or the base benefit in the plan.

MINISTER'S COMMENTS

Mrs Caplan: My question is to the Premier. I know the Premier has been in this House for a long time and has spoken quite a lot about the standards premiers should have. The responsibilities—the ministerial responsibility in particular—are something he knows about.

We have a situation where one of the Premier's ministers in the east lobby on December 2, we are told by Sudbury doctors, told them she had confidential information about them. She then went to Thunder Bay on December 5 and in a conversation in a public place told someone else she had confidential information and she disclosed that information. She returned to this House and said: "I made it all up in Thunder Bay. That wasn't true."

She said yesterday that nobody gave her any information, that she did not have any information and that she did not see anything. Her credibility is seriously damaged. The reputation of the Premier and his government's standards are in question. Does the Premier not think she should do the honourable thing and offer him her resignation?

Hon Mr Rae: I think all honourable members should do the honourable thing. When the member opposite sits in her chair and says the minister has breached her oath of allegiance, which I heard her say clearly, when she uses the word "lie" as she has done over and over again sitting in her chair—

Interjections.

The Speaker: Would the Premier take his seat, please.

Interjections.

The Speaker: Would the Premier succinctly complete his response.

Hon Mr Rae: What happened with respect to the honourable member has been described on a number of occasions in this House. I would just say to the member that the allegation she has made that the minister had access to confidential information, which the member opposite has repeated again and again, is an allegation which the minister has repeatedly, clearly and categorically denied. That is what she is saying. That is what she has told the House on a number of occasions.

If the honourable member says the minister is not telling the truth or if the honourable member has an allegation to make with respect to the conduct of the minister, let her make it with regard to the specifics of the situation.

Mrs Caplan: The fact is that the minister admitted in this House to a falsehood. She said in this House that she did not tell the truth. What does she have to do before the Premier will ask for her resignation?

Hon Mr Rae: Let me answer the member very directly. The minister has made it very clear, and it is not denied by anyone, that in the course of a conversation she had in Thunder Bay she lost her temper with regard to a

particular situation. The minister has told the House on a number of occasions that she has had no access to confidential information with respect to medical specialists in the north or anywhere else.

If the honourable member is saying today that the Minister of Northern Development has seen confidential information which she should not have seen with respect to doctors, or that she has been given confidential information and has released that information, or that she has discussed information that is in the confidential file of a particular doctor, if that is the allegation the member opposite is making, let her make that allegation with respect to the conduct of the minister. She should not hold up a newspaper article, but make the allegation herself, because it is the allegation that has been specifically denied by the minister in question, and that is what is on the record in this Legislature.

1450

The Speaker: New question from the third party.

Mr Harris: I have a question for the Minister of Northern Development. The Premier's Conflict of Interest Guidelines, which she swore to obey and uphold, state on page 1, number 4: "Ministers shall at all times act in a manner that will bear the closest public scrutiny."

Last June the minister made and reported to this House an honest mistake, an unintentional mistake, and she offered her resignation. The Premier accepted it for a period of time. I accepted it was an honest mistake and said so at the time. At that time the minister wrote to a body she was not aware, I presume, was a judicial body on behalf of an issue she felt strongly about. It was an honest mistake but she felt it violated the guidelines and she should offer her resignation.

Now she tells us she deliberately fabricated a story and slandered a doctor's reputation. As a minister of the crown representing the government in the most sensitive and concerned issue northerners have now, access to specialists, she slandered one and deliberately fabricated a story. Can she tell me why she felt it necessary to tender her resignation in June when she made an honest mistake and not today?

Hon Miss Martel: In the first case I wrote to the College of Physicians and Surgeons, which is clearly outside and not part of the guidelines. None of us, as members of this cabinet, is permitted to do that.

With respect to the situation that took place in Thunder Bay, I got involved in a very heated conversation and I made comments which I should not have made and which were not true. It was a serious error and I recognize that. That is why I have taken the steps I have to talk to those who have been involved, to say very clearly that the remarks were not based on fact and I deeply regret them. I have offered my apology for those remarks and all those people have been good enough to accept those regrets as well.

VISITOR

The Speaker: The time for oral questions has expired. I invite all members to welcome, seated in the Speaker's gallery, the Honourable Louis Jones, member of the House

of Assembly for St Vincent and the Grenadines. Welcome to Ontario.

PARLIAMENTARY LANGUAGE

Hon Mr Cooke: On a point of order, Mr Speaker: During question period I raised with you the language being used by the members of the opposition parties and in particular the language of accusing another member of the Legislature of being involved in a coverup.

You did not rule and I would like to point out to you, Mr Speaker, that this language has been ruled on December 8, 1983, by Speaker Turner, on December 16, 1983, by Speaker Turner, and on July 11, 1985, by Speaker Edighoffer. It is inappropriate language to use in the Legislature.

Mr Speaker, I think it is incumbent on you to follow the precedents in this place and rule to not allow that kind of language to be used in what can only be described as an attempt by the opposition parties to engage in a character assassination in this place this afternoon.

Mr Harris: To the same point of order, Mr Speaker: I will try in minimal time to minimize my absolute disgust at the words coming from that member with all the things he has on record in this Legislature in his career. Absolute disgust.

Speaking directly to the allegation, I believe he was referring to me. Mr Speaker, if you check the record and find I have accused a member of the cabinet or the Premier of a coverup directly in my remarks, I will withdraw them. If you check the record, you will find I said there is a coverup and that is obvious to all. I asked the Premier if he was involved in that coverup. I did not accuse him; I asked him to explain if he was involved or not and I stand by that.

Interjections.

The Speaker: Order. The honourable House leader for the official opposition has a contribution to make to this particular point of order.

Mr Mancini: On a point of order, Mr Speaker: I, like a lot of other members, was listening very closely to what was being said today. I do not agree in any way with the accusations being made presently by the government House leader. In fact, I consider some of the words he has used, such as "character assassination," out of order.

I think all honourable members do use language which you consider to be intemperate at times, Mr Speaker. That does cause a lot of honourable members to make interjections, whether they are in order or not. I think that is the situation we have today, nothing more.

The Speaker: To the government House leader's point of order: First of all, I appreciate the contributions made by the other two members. Members will know that indeed I have a grave concern with respect to the language level that is used in the House. I have never viewed it that intemperate language is a way to accomplish the public business nor to maintain order and decorum in the House.

While the members will know there is no dictionary or list of unparliamentary terms, at the same time I take the point raised seriously. I will indeed be pleased to review

the record and to examine the references to which the honourable member refers.

VISITOR

The Speaker: I would be remiss if I did not invite all members to recognize and welcome to our chamber this afternoon, seated in the members' gallery west, the former member for Dufferin-Peel, Mavis Wilson.

REPORTS BY COMMITTEES

STANDING COMMITTEE ON GOVERNMENT AGENCIES

Mr Runciman from the standing committee on government agencies presented the committee's 21st report.

The Speaker: Pursuant to standing order 104(g)11, the report is deemed to be adopted by the House.

STANDING COMMITTEE ON THE LEGISLATIVE ASSEMBLY

Mr Duignan from the standing committee on the Legislative Assembly presented the report on the Review of the Freedom of Information and Protection of Privacy Act, 1987, and moved the adoption of its recommendations.

Mr Duignan: The committee undertook its year-long comprehensive review of the Freedom of Information and Protection of Privacy Act, 1987, as directed by section 68 of the statute.

As Chair of the committee, I offer my thanks to all members of the committee who acted in a very non-partisan way, and the report is basically a unanimous report of the committee.

It was a pleasure for all of us working together to learn about and contribute to the issues of such importance for citizens as open access to government information and protection of individuals' personal privacy.

I would like to express the thanks of the committee to all those who appeared before us or wrote to us with their submissions. In particular I would like to thank the Chairman of Management Board of Cabinet and his staff, Frank White, director of the freedom of information and privacy branch, and Tom Wright and his associates and staff. I would also like to acknowledge the expert help of our research officer, Andrew McNaught, together with the assistance of the committee clerk, Doug Arnott, and clerk pro tem of the Canadian Senate, Nicole McMillan.

I do not have time to review all the recommendations.

On motion by Mr Duignan, the debate was adjourned.

1500

INTRODUCTION OF BILLS

TASMAQUE GOLD MINES LIMITED ACT, 1991

Mr Miclash moved first reading of Bill Pr114, An Act to revive Tasmaque Gold Mines Limited.

Motion agreed to.

PITTSO NTO MINING COMPANY LIMITED ACT, 1991

Mr Miclash moved first reading of Bill Pr115, An Act to revive Pittsonto Mining Company Limited.

Motion agreed to.

PETITCLERC MINING LIMITED ACT, 1991

Mr Miclash moved first reading of Bill Pr117, An Act to revive Petitclerc Mining Limited.

Motion agreed to.

SUNBEAM EXPLORATION COMPANY LIMITED ACT, 1991

Mr Miclash moved first reading of Bill Pr116, An Act to revive Sunbeam Exploration Company Limited.

Motion agreed to.

HOTSTONE MINERALS LIMITED ACT, 1991

Mr Miclash moved first reading of Bill Pr113, An Act to revive Hotstone Minerals Limited.

Motion agreed to.

ORDERS OF THE DAY

FINANCIAL ADMINISTRATION AMENDMENT ACT, 1991

LOI DE 1991 MODIFIANT LA LOI SUR L'ADMINISTRATION FINANCIÈRE

Mr Christopherson, on behalf of Mr Laughren, moved second reading of Bill 156, An Act to amend the Financial Administration Act / Projet de loi 156, Loi modifiant la Loi sur l'administration financière.

Mr Christopherson: The Financial Administration Act sets out the responsibilities of the Treasurer in managing the financial position of the government. It is therefore very important that it be up to date with the latest financial management practices and procedures. The Financial Administration Act has not been substantively revised in almost 10 years. In that time major changes have taken place in the financial markets, including the introduction of increasingly sophisticated and complex financing instruments. In addition, the borrowing program of the Ontario government has undergone major change, resulting largely from the decision to stop using public sector pension plans as our main source of capital.

I am moving second reading today of this bill, on behalf of the Treasurer, to ensure the province can operate an efficient and effective borrowing program that will minimize its borrowing costs. The amendments will allow the province to use contemporary borrowing mechanisms such as the issuing of debt denominated in European currency units and index-linked securities that will enable the province to take advantage of financing opportunities not currently available to it because of restrictions in the act. The amendments will allow the province to support the development of non-bank financial institutions by making them eligible for investment of our government funds.

The amendments will allow the province to enact a framework for the new capital fund announced in the 1991 Ontario budget. This new approach to accounting for expenditures will improve decision-making by drawing a distinction between operating and capital expenditures.

The amendments will increase the province's ability to effectively control its financial position and to increase the return on its investments by permitting the use of more contemporary investment vehicles. These changes will also improve the province's ability to manage the risk associated

with its portfolio. The amendments will provide additional operational flexibility to commercial activities of ministries and crown corporations and agencies. This will allow these operations to be run in a more businesslike manner.

Finally, the amendments will increase the province's ability to co-ordinate the borrowing activities of its portfolio of crown corporations and agencies.

Mr Phillips: The major part of this bill that concerns us is the establishment of the capital fund. It is quite clear that the fundamental intention of this is to allow the government next year to report a deficit that will probably be reported at \$5 billion less than this year. It is a neat trick because they will put the capital expenditures into debt.

The Premier has been very careful throughout all our discussions, as has the Treasurer, to say it is the government's intention to balance the operating budget of the government. The way they are going to do that is to take the approximately \$5 billion the Ontario government must spend to refurbish the infrastructure each year and put all that into debt. That is a neat trick because it will allow the government to say next year's deficit is only \$3.5 billion instead of \$8.5 billion. The public will perhaps have difficulty in understanding that the \$5 billion of capital is hidden away in debt.

All that will show next year on the financial statements will be the interest payments for that one year on the \$5 billion worth of debt. That will probably mean an interest charge of maybe \$250 million. I applaud the government's nerve in this respect, because it is neat, and the Treasurer, when he stands up here on April 23, 1992, will say: "Amazing, amazing. The deficit now is only going to be \$3.5 billion."

If this were the private sector—the capital paper points this out—the government would show depreciation charges of probably \$5 billion, because that is what it costs just to keep the provincial infrastructure refurbished each year. This is not like a one-time only thing where I am buying a house and I am going to take a mortgage out on it. Every year, as the capital paper and the budget point out, the province needs to spend \$4 billion to \$5 billion in refurbishing the infrastructure. Make no mistake about it: This little bill has one major objective in mind and that is to help the government's finances look neat.

This is not the first thing they have done. They have asked Ontario Hydro to pick up many of the expenses for assisting communities that normally would have been shown as expenses on the budget statement. It will not be the last thing they will attempt to do, because they are desperately trying to find a way to make the numbers for next year look good. But for me at least, this is a move that will disguise the true financial picture of the province.

Having said that, the Treasurer, at one of the meetings of the standing committee on finance and economic affairs, said something like, "The people of Ontario are smart enough to see through these things and they will appreciate that our deficit next year will in fact include the capital." However, this move will, in my opinion, permit in the budget statement next year an understatement of the spending in the \$4-billion to \$5-billion range.

I suggest our fundamental concern with this one is public disclosure and ensuring the public understands that what this bill will do is simply hide expenditures that must be made each year in debt. The provincial debt will go up by an additional \$5 billion, and the only thing that will be shown on the financial statement will be the interest charges on that \$5 billion worth of debt. As we look at this bill, that is our fundamental concern. It is full disclosure, the fundamental concern about how the province plans to account for its refurbishing of the infrastructure of the province. As I said, it is not surprising the government would want to do this because it is a neat little trick to make the finances look substantially better.

1510

Just to touch briefly on some of the other aspects of the bill, I think it is time we updated portions of the Financial Administration Act. As it was pointed out in the parliamentary assistant's opening remarks, there are needs to take into account. We are now doing different ways of raising funds and we need to make sure the administrative language catches up with that.

But back to our fundamental concern: We think this bill will perhaps not fully disclose the financial picture of the province. If this were a private sector organization it would show, we suggest to members, \$5 billion worth of depreciation. All we will see next year in the budget—I believe in the Treasurer's initial comments he released in April 1991—is perhaps \$200 million worth of interest charges. That will be our concern about the bill.

The other somewhat administrative areas of the bill seem to be appropriate. We will be looking for some assurance that the government plans full disclosure of the real debt, that we do not see this used as a way to accomplish, we think in an inappropriate way, the Premier's pledge to balance the budget in 1997-98. The only way they plan to balance the budget in 1997-98 is by hiding about \$5 billion a year in expenditures and debt. The problem with all that is that it will eventually come home to roost. If they are not paying for the capital infrastructure on a year-to-year basis essentially just to refurbish it, if they put it all in debt, they have just postponed the financial problems for the province.

We will be looking in the bill—we do not see it as yet—for assurance of full disclosure of the real financial picture in the province and to ensure that this capital fund not be used to hide the true financial picture.

Mr Tilson: In response to the member's remarks, I think one of the concerns that can be put forward on this bill is that during the last election it was advised by the former government that there was a surplus of \$11 million. This was prior to the election being called. Then the election came along, we went through the summer and of course the NDP was successful in the election and it was announced by the Treasurer that there was a \$700-million deficit.

All that creates cynicism among the public. Who is telling the truth? Who is playing with what books? I think that is part of the issue the member is raising. Is the putting forward of this bill another opportunity to enable the Treasurer of any particular government to play with the books,

to create an illusion of whether there is a deficit or no deficit? We know the government is in trouble. We know the deficit is much higher than what is being alleged. Is this is a bookkeeping method that would lessen the impact of the deficit? It creates, I would submit, a form of cynicism among the public as to exactly what this government is trying to do in hiding a deficit.

Mr Phillips: Just in a specific way on one of the comments of the member, it may be helpful to the member that in his report the auditor looked at the source of the deficit this year and explained it, I thought, in fairly good detail. Just as an aside, he may want to look at that.

He raises the issue that worries me and that is that the government is desperate to show the public a different financial picture than reality in the capital accounts, a neat thing to do because it will hide in the debt about \$4.5 billion to \$5 billion worth of expenditures each year. It will only be in about six years that the interest payments on all of that money put into debt will come home to roost. But of course that will be long after the next election.

The Premier is counting on this capital fund, counting on being able to say, "Listen, we balanced the budget. We are miracle workers." But the only way they will balance the budget in 1997-98 is through this little trick. We must have assurances that we will have complete disclosure of the true deficit, that is, the capital plus the operating—and the Treasurer did say in our economic committee that he agrees there is the need for full disclosure—so the public see that the real deficit is the operating deficit and the capital deficit.

We will need assurances that it is the government's intention that it will be fully disclosed, that the deficit reported will be the deficit of the operating and the capital account, and not just for one year. Otherwise we are playing with the books. We are fooling the public into believing that the economy, the financial picture, is better than in fact it is. The books have been set up in this way for many years, with capital and operating together. If we do not have a consistent basis for comparison we will not have a true picture.

Mr Sterling: I, like the previous member, have some concerns with the creation of the capital fund. Over the period of time I have been in this Legislature I have seen new treasurers, new governments come in and attempt to change the style and the method of keeping the books of the province. Therefore it is very difficult for the opposition and almost impossible for the public to go back and compare the records of the previous government versus this government as to their spending practices.

It will be very difficult, for instance, to know whether or not the amount of money going towards capital is higher or lower than normal in any given year, because we do not have a history of that kind of spending. Of all the documents the government produces each year perhaps the most important document is the budget, which is presented to us usually in the spring of each year.

At that time we look at the document and we try to determine whether or not it is a reasonable document in terms of the spending and the taxes which are collected in

order to support that spending. Now we are going to have a change in the method of keeping those books, and I am always somewhat suspicious when a treasurer or a government goes to change the set of books.

One of the problems I have also, in terms of debating this bill in the kind of depth it probably deserves, is that it was introduced on November 21. That is little more than two and one half weeks ago. While the Treasurer indicated in his budget of last May that he was going to bring forward these kinds of reforms, it was only two and one half weeks ago that the legislation was tabled. Quite frankly, the legislation is very difficult, very complex and therefore probably requires a number of people to properly respond to that kind of legislation.

I only say to the parliamentary assistant for the Treasurer that the Treasurer's desire to have this passed by the end of the year or the end of this session will probably lead to a bad piece of legislation, an incomplete piece of legislation, or a piece of legislation which could be improved free of charge by the people who are involved in this kind of business.

I was sent over a compendium for this bill. As members read through the compendium they may be able to understand how—

Mr Tilson: On a point of order, Mr Speaker: I do not see a quorum.

The Deputy Speaker ordered the bells rung.

1521

Mr Sterling: I was referring to the complexity of Bill 156 and the fact that I, as a legislator, going into the last two weeks of this Legislature and having only seen this bill over the past week and a half, have not really been able to obtain from the community at large its opinion about this legislation.

For instance, earlier this week or late last week, I cannot recall which, I phoned the Provincial Auditor, Mr Douglas Archer, and asked him whether he had any opinion with regard to this legislation: Is the capital fund, in the way it has been set up by the Treasurer, a fair accounting practice, and is it an objective way to set out capital expenditures when compared to other jurisdictions? I understand other jurisdictions have capital funds allocations within their budgets. I was perhaps somewhat shocked by the response I received from the auditor. He had not been consulted by the Treasurer, he had not been informed that the legislation had even been tabled in this Legislature and he had not put his mind to it. I did receive a call from him this morning, and I have been unable to connect back with him.

That is one of the problems we have faced with regard to this government, not only dealing with this legislation but there is another piece of legislation, dealing with some amendments to our municipal laws dealing with their powers to debenture, which was only introduced last Thursday. As we go into these last two weeks, I get the feeling this is the kind of bill that does not have what I call the proper pacing to it. I believe if you want to have good legislation in this Legislature there should be a proper time frame and a proper distance between the time it is introduced, the

time it is debated on second reading and the time it is called to third reading.

It is not so important to us that the bill goes from first to second reading in a very quick time and then possibly out to a committee of this Legislature. I am not certain that has been the intent of the Treasurer at this time, but perhaps we will seek that when the time comes to send this, after we have a vote on this particular piece of legislation.

I was referring to the complexity of it. I wanted to say that the glossary of financial terms is enough to scare you. For any person in this Legislature who understands the glossary of terms, I really challenge that person. For instance, it refers to FRAs—forward rate agreements—financial futures, options, bond options—swaptions. Swaptions? I thought that is what they did at the Liberal Christmas party last night. No, I am sorry; that was wrong. I should not say that. Excuse me.

It refers to currency swaps, interest rate swaps, caps, floors and a collar. What I think about a collar is what you have around your neck, but a collar is an agreement with a cap and a floor. This is just so members know what this bill is all about and so they can understand the concern I have in terms of giving this bill the kind of quick and speedy passage which the Treasurer and the government House leader seek in this Legislature this afternoon.

I am also disturbed, quite frankly, when we go back to budget paper D of the budget, which explains what the Treasurer wants to do with regard to the capital fund. If you look at his example on page 83 of last year's budget, the implication there is that for every dollar of capital expenditure made this government will allocate a dollar of debt towards that capital expenditure.

I think what the government is trying to do is create the guise or the parallel of a balance sheet in the private world. What it is trying to do is create the comparison of a capital expenditure in the private world—private corporations, private businesses—versus a capital expenditure in government. I guess the philosophy behind that is that if they create a dollar's worth of expenditure and it is going to go forward for a number of years, it should be written off over a number of years.

I agree with my colleague with regard to the depreciation argument. In addition to that, in the private world, when a company or even an Ontario corporation like Hydro goes into an investment, it does pay down some cash on the investment. So the borrowing is not necessarily 100% of the capital asset which it produces. As I understand from reading this document, none of the costs of the capital improvement will be charged against the first year of the capital when the particular project is constructed.

I guess the other part that concerns me is that if they are going to create the scenario of a balance sheet type of government—and we do not have a balance sheet in government because it is very difficult for the government to add up all our assets at any one time—and are going to start to create the whole idea of a capital account, they also have to look at what the liabilities are doing during a particular year. These should be reported on in advance if they are foreseeable, or they should be reported the year after if they occur the year after.

We all know that, for instance, the Workers' Compensation Board—which I consider a government liability even though it is supposed to be at arm's length, an employer-owned compensation plan—went into a further \$1-billion liability position over the past year. I do not know where Ontario Hydro is at at this time, but I understand its liability position is probably worse than a year before as well.

It is also not clear from the example that when the Treasurer sells off the SkyDome, which he has just done and which is \$130 million, whether he will count that off against the capital spending he is going to undertake. If they are going to be accurate in terms of their capital accounting, they have to say, "Well, we're spending this money to improve our stock, but if we sell off land or if we sell off an asset like the SkyDome and receive compensation," what should be said in their document is that it should come off the capital account.

1530

I am not clear from the budget paper whether the interest payments that will accrue as an expense of the government remain purely a part of the operating budget or if they tack on to future capital accounts within the accounting process. I read at the bottom of page 82:

"The capital fund will invest in Ontario's infrastructure through payments for capital projects approved during the estimates process. Money will flow into the capital fund from the operating fund through...debt interest payments from the operating fund to cover debt service costs."

I mentioned earlier that what seems to be the setup is that if \$5 billion next year is spent on capital, \$5 billion of debt will be appropriated against that capital. I am not certain, from looking at budget paper D, whether next year when, let's say, \$500 million is required to pay the interest on the \$5 billion, that will become part of the capital budget for next year. If so, as time goes on, the capital spending will not only reflect what is being spent on hard buildings or hard services, infrastructure, but will also include the debt-servicing charges associated with debt which has been allocated to this capital fund. I would be very upset if that were the case. I consider the interest charges associated with the capital to be a part of the operating costs of government in future or subsequent years.

That pretty well completes my remarks. I would like to hear from the parliamentary assistant if it is his intention to send this out to the standing committee on finance and economic affairs, of which I happen to be a part, because I have come to the conclusion that would probably be the best path for this bill to go. I would have preferred that we dealt with it during the legislative process, but since this has come at such a late date, we would prefer it to go to committee so we can have some experts come in and talk about whether this is a fair process. We can have the Provincial Auditor come in and say whether this is a fair process.

Mr Phillips: I have a few comments. I want to thank the member for his comments and for sharing some of his sentiments that our Provincial Auditor could provide us with some valuable input on this. I am surprised also that he has not had an opportunity to review it because, after

all, he comments on our accounts and has the public responsibility for ensuring that we accurately reflect the true financial picture.

As the member said, I believe there is a meeting of the standing committee on finance and economic affairs this week. It is possible that we could have the auditor in for a review and comment on this because there is no doubt, as the member just said, that this is a fairly fundamental change in the way we are going to report our budget and finances for the province. It is a great move for the government because it will be able to stand up and say, "My gosh, the deficit is \$4.5 billion less than we said." That has nothing to do with the spending cuts; it is just a different way of reporting it.

I think there is some merit in hearing the auditor's comments on it, and it will give the new auditor a chance to ensure that if he can suggest improvements in the bill, we have that chance to incorporate them. Otherwise, we are going to be asking the new auditor to report the finances on this new basis without any input into its merits.

Mr Tilson: I too support the member for Carleton, who has requested that this matter be sent to committee. Obviously the two members who have spoken to date on the subject are concerned about the issue of accountability. They are concerned about the issue of spending by all governments in this province.

We are, it would appear, giving the Treasurer substantially more powers to borrow and more powers to purchase. It would be interesting to have remarks from such people as the auditor or others on the justification, the rationale, for providing these increased powers.

As I understand it, the bill increases the amount the Treasurer may raise by a temporary loan from \$215 million to \$4 billion. That is a substantial increase.

It would be useful to hear comments on that subject, and on the subject, just an interesting question, of subsection 21(1), which says, "The Lieutenant Governor in Council may by order authorize the Treasurer, on behalf of Ontario, to agree to guarantee or indemnify the debts, obligations, securities or undertakings of any person."

What does that that whole issue of guarantee mean? The whole issue of powers, the whole issue of why we are doing this, other than the fact that we have not done something for 10 years, needs to be looked into. I think a more appropriate time would be in committee, in light of the fact that this matter was only introduced on November 21. Certainly I think some of our concerns could be eased if this matter were dealt with in committee.

The Deputy Speaker: Any further questions or comments? The member for Carleton, you have two minutes to reply.

Mr Sterling: I have long felt that one of the problems we always have in this Legislature is that we shout back and forth at each other in terms of whether or not a government has delivered on a program or is accountable with regard to what it is doing.

As I mentioned earlier in my speech, the most important document of all in terms of accountability is the budget the Treasurer presents each year. If the Treasurer is

being forthright in what he said yesterday in this Legislature, that he is anxious to change the budget process, then when his budget comes down in April or May of next year if he wants a sane, even or objective kind of reading of that budget, surely he must present those figures in a manner which in some ways is objective and logical to those who are involved in the accounting or investment fields.

We are not quite sure whether the intention here is to change the process to make governments in the future more accountable or whether this is a change in the process to create more smoke, more confusion in the public's mind, than has been there in the past. I hope it is the former. That is why I would like to sit down with a committee and determine how the books for this province should best be kept and do it in a manner so the Provincial Auditor agrees with what the Treasurer is doing.

1540

Mr Turnbull: I have somewhat similar comments to make about this bill. We received this document on November 21 and were told that the government would like it passed by Christmas. I suggest this is a rather significant change in terms of how we operate the finances of this province. There is no doubt we probably need to update the way in which the Treasurer reports various pieces of information and indeed the way in which he can approach short-term borrowing, but I am particularly concerned about some of the aspects.

The act proposes that the Treasurer would be able to establish accounts with non-bank financial institutions such as trust companies, credit unions, and caisses populaires. It is quite clear that in the past there have been some difficulties with trust companies. With all due respect to my friends across the floor, they have certainly been very vociferous in their objections to what previous governments have done with respect to trust companies. I notice that slid in with this is also credit unions. Is this a way of somehow supporting their friends with the credit unions?

We need more scrutiny of it. I am not saying it is bad, but we really need to have public input. I would particularly like to hear what the Provincial Auditor has to say, and the fact that he has not had time to comment to us is somewhat of a concern. We should not be pushing through legislation which will significantly change the way the government will operate unless we understand all of the implications.

The rise in the borrowing limit from \$250 million to some \$4 billion is a rather huge jump to take in one fell swoop, 16 times the borrowing level. We know this is a government which is spending somewhat out of control—I would only withdraw the word "somewhat" but certainly "out of control"—and we need to get public accounting into the system of that.

The further concern I have is that if we start separating out the capital account—which, by the way, I would suggest is a good idea—in principle, I think we should have an accounting for capital investment in a separate set of books to the operating accounts. However, it would be good practice to make sure that we are going to have accounting for the funding of those capital accounts. Any

debt service should be accounted for in the operating budget, not in the capital budget, because there is this terrible, almost irresistible urge the government will have to move things into the capital budget and say to the taxpayers: "Look how fiscally responsible we've been. We've reduced the deficit. Look, we've only got a \$4-billion or \$5-billion deficit."

The fact remains that all governments prior to this have always spent on capital. It has not been accounted for in a separate account, and I think it should be. I would like us to have a review at least of the last 10 years and see how much has been spent on it so that we have some retrospective view of this when we are looking at future budgets where they say, "This much is capital and this much is operating."

The temptation to play with the books is there, and I really do not believe we should allow this legislation to pass without public scrutiny. Public scrutiny would involve having the best financial minds commenting on what the implications for the province in these accounting methods would be in so far as the borrowing restrictions placed on the Treasurer are concerned, and commenting on the implications to the province's credit rating of raising the borrowing limit from \$250 million to \$4 billion. I think that would be appropriate.

The famous saying was, "There are lies, damned lies and statistics," and I suppose I am concerned that we are going to get statistics in the future which will bamboozle the taxpayers who are already paying too much money and then find out after the fact that the government has been irresponsible, and I would say that is governments at all levels.

Mr Christopherson: I would like to begin by thanking the honourable members who participated in the debate for their constructive comments and concerns.

I would like to acknowledge concerns raised by virtually all those who spoke: the member for Scarborough-Agincourt, the member for Dufferin-Peel, the member for Carleton, the member for York Mills—I hope I have left no one out—who all expressed some concern as to whether the government was in effect trying to perform a neat trick, as one honourable friend said and as others have said, or to cook the books or to play smoke and mirrors with the figures.

The reality is that what we are attempting to do here are some very simple things. First of all, we are attempting to bring the borrowing ability of the province up to the 1990s. That is required not only because we have not made any changes for 10 years, but also because we no longer use the public service pension fund as a significant source of money to borrow from. We are out in the international markets much more than we have ever been in the past. We need better tools, meaning the legislation, to allow us to participate in a full capacity that will allow us to benefit and maximize the taxpayers' benefit from the market system as much as we find it necessary to participate in those markets.

Also, I would quickly point out that much of the legislation here, and in particular the separation of the operating fund and the capital fund, are measures that are used by

many governments across North America. This is not unusual. I think a number of the members who spoke acknowledged that this was a wise and prudent move on the part of the government in terms of allowing us, and indeed the taxpayers, to have a better idea of the financial picture of the government of Ontario.

When I mentioned our participation in international markets, I am told, as an example, that if the capital markets branch borrowed in denominations of the European currency unit, the ecu, we could save the taxpayers an estimated \$9 million on a \$400-million bond issue. I think that is a significant sum of money and is an example of the kind of benefits that would accrue to the taxpayers of Ontario if we made the changes the Treasurer proposes to make.

I would also acknowledge the concern raised by the member for York Mills, who talked about the line of credit increasing from \$250 million to \$4 billion. Again I would add, that has not been changed in 10 years. We are borrowing larger sums of money, as have previous governments, than we have in the past. I am told that the banks and financial institutions that extend this line of credit to us have no problem with it whatsoever. It has no effect on any kind of bond rating factors that play into those decisions.

Also important, because I think the member raised a very important question, is that it has nothing to do with the ability of this government to borrow or the with amount we borrow or with how much debt we may be incurring as a government. Rather it is the ability of the government of the day, regardless of what party is on this side of the House, to access the kind of money needed in the 1990s to pay the bills of the province, if for some reason the transactions that are taking place around the world do not leave the kind of money we need in the accounts at the time we have to have them.

This is a line of credit that is available to us on a very short-term basis to ensure that we are not caught without the ability to pay the commitments we have out there. There is nothing there that anyone need be concerned about. It is another tool to allow the government of the day the opportunity to run the government as it is mandated to do when it assumes power.

1550

I would also like to spend just a moment, before I close, on the issue of the capital fund and the amount of money that will show for debt and interest on the debt and what will happen when it is reporting time. I want to say unequivocally on behalf of the Treasurer that there is absolutely no intent to hide or play any games whatsoever. In fact, I would hasten to add that were the Treasurer to play any games whatsoever and get caught, he would probably do more damage to his credibility and his ability to answer and speak on behalf of this government, as he must in accounting for the billions of dollars this government must answer for, than probably anything else he has proposed at this point.

First, we have the assurances of the Treasurer, but also, I suggest, the commonsense analysis that he quite frankly cannot afford to play any games with this. I am saying on his behalf here publicly in the House that there is no intent to do that. I encourage members opposite that if they find

something that gives them a problem, to please point it out in committee or in the House, because if there is something there that is not showing in the way they think it should, the Treasurer wants it to be reflected as appropriately as possible.

I answer, by way of a technical response, that the operating deficit plus the capital deficit will show separately and they will also show as a consolidated deficit, and the interest payments on both will be applied to the operating and the capital separately.

In closing, I would again like to thank, on behalf of the Treasurer, all the members who participated in this most important matter. I will make sure their concerns are raised with him. I want to again thank the assembly, assuming it is prepared to pass this today, for allowing the government the opportunity to benefit as much as possible from the kind of financial tools and instruments this legislation will put at our disposal, so that when we are dealing with the billions of dollars the taxpayers have entrusted to us, we are doing it in the most effective and efficient manner possible.

The Acting Speaker (Mr Farnan): Mr Christopherson, on behalf of Mr Laughren, has moved second reading of Bill 156. Is it the pleasure of the House that the motion carry?

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion, the ayes have it.

I have a letter of deferral pursuant to standing order 27(g) that the vote on the motion by Mr Laughren for second reading of Bill 156, An Act to amend the Financial Administration Act, be deferred until immediately following routine proceedings on Thursday, December 12, 1991. Is there unanimous consent?

Hon Mr Cooke: Mr Speaker, there is unanimous consent that we have the vote this afternoon at 5:45, and there will be other stacked votes.

The Acting Speaker (Mr Farnan): Is there unanimous consent that this be deferred to 5:45 this evening?

Agreed to.

Vote deferred.

LEGISLATIVE ASSEMBLY
AMENDMENT ACT, 1991

LOI DE 1991 MODIFIANT LA LOI
SUR L'ASSEMBLÉE LÉGISLATIVE

Mr Cooke moved second reading of Bill 163, An Act to amend the Legislative Assembly Act / Projet de loi 163, Loi modifiant la Loi sur l'Assemblée législative.

Hon Mr Cooke: Very briefly, this is a bill to amend the pay rates for members of the Legislature. Members of the Legislature will remember that the last time there was an adjustment to this act and to the salaries for members of provincial Parliament was on April 1, 1989. I believe that increase was in line with or a little less than the cost of living at the time. Then the election intervened and that is why there was not an adjustment to the pay for 1990.

This pay bill will affect the pay scale for MPPs effective April 1, 1990. It is a 3% adjustment across the board. I

should point out that it has been announced it is the intention of the government that there will not be a pay increase for the next fiscal year or the fiscal year after that because of the difficult times the province is experiencing now. It also should be pointed out that normally, when we are dealing with pay bills, there is an accompanying bill that would amend the Executive Council Act. We are not doing that. There will be no adjustment of the salaries of cabinet ministers for the fiscal year 1990-91 either, which in effect freezes the additional pay to cabinet ministers and parliamentary assistants for three years.

I know the strong feelings that members of the Legislature have. I certainly remember the position I have taken in the past on behalf of my caucus on this matter, and I still believe very strongly it should be the goal of this Legislature to eliminate the tax-free portion of our pay. That would require of course that the gross amount would have to be bumped up to allow for the net take-home pay to remain the same. I think it is appropriate that there should be no tax-free allowances and that we should pay tax on all our incomes in the same way all our constituents do.

That matter was looked at by me this time. The problem and the difficulty it creates for us right now is that it would mean an approximate increase in pay for each member of about \$7,000. Even though the take-home pay would remain the same, the cost to the Legislative Assembly and therefore to the taxpayers of this province would be an additional \$7,000 per member of the Legislature, which works out to nearly \$1 million—\$900,000 to \$1 million—which simply cannot be afforded by the province at this time.

In addition to the elimination of the tax-free portion, I believe very strongly we need to look at and implement a fair system of annual adjustments so that we do not go through this every year or every second year or whenever it is decided it will happen. The way members are paid in this place is inappropriate and it is too low, but it is not possible to make those major adjustments to our pay scale now with the economic circumstances the province is in.

While this is inadequate and does not provide the kind of reform I believe in, that the government believes in and that I believe members of the opposition believe in as well, at least it rectifies the problem that there was no adjustment in 1990 because of the election and allows for some minor improvements in pay. It is inadequate and it is unfortunate, but I hope that at some time in the near future when the economy picks up, we will be able to work together to find a proper way of paying members of the Legislature and a proper way of eliminating the tax-free portion of our allowance now.

Mr Conway: I have some comments, but I know my friend the leader of the third party has some pressing engagements and I know he is interested in getting into this debate, so I am quite prepared to defer to him in this round.

The Acting Speaker (Mr Farnan): I think we can accommodate that.

1600

Mr Harris: I do not wish to dwell on this at great length, but I do want to get a few things on the record,

some with reference to the comments the House leader for the New Democratic Party and for the government has made.

I believe the public has said three things to me over a considerable period of time, off and on I guess since I have been elected. We have had a Conservative government during that period, we have had a Liberal government and now an NDP government and none of the three things I have heard has been addressed.

I am a little discouraged with that, of course. There are always reasons. We had the wage and price restraint program in the mid-1980s when we were in government. We had David Peterson, who really did not have very much courage to do anything tough during that time. I do not have many kind things to say about the Liberals in that regard. Then we had the New Democratic Party and I do not have many kind things to say about them in this regard. They were so vocal in opposition. I do not have much that is kind to say about 1981 to 1985 either, in not addressing what I think are the three major concerns.

I could stand here all afternoon and read back quotes of the House leader, the Premier, the former leader of the New Democratic Party, talking about—

Hon Mr Cooke: I read them this morning.

Mr Harris: The House leader says, "I read them this morning." I think the inappropriateness of at least two of the items I am going to talk about is a matter of long-standing record. I have not heard very many politicians talk about the third, but the public talks about it—pensions.

The three things really are pensions. Our pensions are pretty good. Obviously it is a matter of judgement whether they are too good or not good enough, but can you get the accounting procedures to say they are fully funded by contributions, either by ourselves or by the government? That is a concern to the public.

The second concern on pensions, that they are indexed, is actually not true. The federal pensions are indexed. Ours, as you know, are not. They are open to adjustment at the discretion of the Legislature. Normally such adjustment parallels whatever increases are afforded to the current MPPs. That, of course, is substantially different than indexing and, I think, a much better way. If there is a time for restraint there should be a period where nobody gets a raise. I believe we have gone through a year of that already and I am most distressed that the government missed the opportunity to show leadership in that regard, starting with the Premier, the cabinet, us, all the way through the public service and the extended public service. I have spoken on that on many occasions. Now we are reaching a year where the government is recognized. They were in error last year, things got away from them and out of control and now some restraint is being brought forward that, I assume, would apply to the pensioners as well, the 3% and the zero-zero.

I am going to talk a little bit about pensions. I will come back to that. The second aspect the public is most concerned about is that we vote these things for ourselves. We make a decision and vote ourselves a pay increase. Some will say, "Well, that is your responsibility and you

should be accountable for it." I know some municipal councils have dealt with this in such a way as to set the wage scale, if you like, for their positions at the expiry of one council for the next one. It is out there, up front, you know what it is going to be for three years and you can run for the position on that basis and the current council never sets the salaries for itself.

That may be one way we could look at it. Another way, of course, is to have our salaries set by some other form of independent body, either the Commission on Election Finances or an independent body in a constituent assembly-type mode. I would suggest to members that that body should represent the people, the taxpayers, who are looking for good people to run, good government and quality representation. They are also concerned about the taxpayers' dollars. I think we would probably find that if we had that appropriate body we would arrive at a fair figure and we would take away voting or not voting ourselves a raise and how much it is going to be.

The third aspect I hear a fair bit about is the tax-free one. You get all these tax-free perks when you are on council or when you are on the school board. I will not be popular now with the thousands and thousands of people who are trustees or who are on local councils, and perhaps I am not so popular with some of the elected MPPs in the Legislative Assembly.

There was a time, and you have to change with the times, when the tax-free allowance—I cannot speak for the municipalities—was most appropriate for members of the Ontario Legislature. I know before I was elected there were not such things as constituency offices, members from out of town paid their own expenses while they were in Toronto, and travel was not reimbursed by the Legislative Assembly.

Over a period of time we have arrived at the point where most of our expenses—there may still be some incidental ones but certainly not in excess of \$14,000, which is what we get tax-free. There may still be some additional costs of meals if you are eating out when you are from out of town. It might cost you a little more than if you ate those meals at home. One could make that argument, I suppose. There may be some additional living expenses over and above what it would cost you to have one household instead of, as many of us have, two. We might be able to make an argument that in our role as MPPs there is not a charity we do not support, although I suggest we are kind of pressured into that; we bring that on ourselves. But some may make an argument that some of those contributions are because you are an MPP, but certainly not \$14,000 worth.

I am most distressed that we have continued this practice as we have improved the living expenses and other expenses MPPs have to bear. They have been more and more reimbursed: surely all our travel expenses—I do not think anybody can make that argument any more—and certainly expenses in using our automobiles, our constituency offices and our offices here at Queen's Park, and there has been more and more flexibility on how we could use more and more money in a substantial way. The \$14,000 tax-free is not justifiable. It really is something I

know the public is concerned about, and there is absolutely no defence for it.

I am distressed we have not had a government with the courage to address this. There may be some negatives attached to it. There may be the perception that somehow or other there is more money coming to us. I make it quite clear that there ought not to be as a result of any transition from doing away with the tax-free. I might be persuaded, if it is across the board and applies throughout the public sector, that perhaps the gross-up amount would not even bring home the same amount of take-home pay.

The public has spoken time and time again, and it affects our ability to speak with credibility and integrity on many issues. It does not affect our ability to do that; it affects how we are received. We all know politicians are not the most esteemed people in the neighbourhood these days. I think this is a contributing factor. We have an opportunity here. The Premier had an opportunity in opposition, and he spoke often; he spoke to me privately and he spoke in this Legislature. The House leader has spoken privately to me and publicly. I can recall two meetings I had with the Premier.

Normally I would not relay information from a private meeting but I am going to relay this, and I do not believe I am breaking any particular confidence in doing so. When the Premier took office he called the former leader of the Liberal Party and myself into his office on two occasions to discuss how he would like to proceed on some issues. The Constitution was one. I welcomed that discussion. We talked about a couple of others.

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In both those meetings, not brought up by Mr Nixon, the former leader, and not brought up by me, the Premier brought it up and said: "I want you to know I am committed to doing away with the tax-free allowance. I want to make those changes that I've spoken about and I'm going to do it."

I am relaying that publicly now to tell members that there is not much point in going to private meetings with the Premier. I am wasting my time and I am mad about that, not just on this issue but on any issue to be called in to have this on the agenda—it is the Premier's agenda—and hear, "I'd like to discuss them, I'd like your thoughts about it," and then find out that is not at all what he is going to do.

There is nothing new today that we did not know last fall. We have got tough times, and it is more important than ever that we send out the proper signals to the public, which is paying the taxes, paying our salaries, and that we in fact put some of the myths to rest. But certainly the tax-free allowance is not a myth. It should not be tax-free. It is morally wrong. It is an incorrect amount of money, in a tax-free way. By putting off decisions and not addressing any of these as to what the appropriate level of pay is—there are never good times and bad times. I have been here 10 years and none of those 10 years has been a good time, apparently. Meanwhile the public is becoming more and more cynical about those of us in elected office.

I want to get that thought on the tax-free on the record. I want to say that I am prepared to sit down with the

Premier, if he wishes to live up to the commitment he made to me privately and publicly to this Legislature and to the people of this province, and find a way that makes some sense.

In the second area, the Premier has been so vocal on not having us set our own salaries, whether it is for this term in particular, and to discuss mechanisms—he has put that completely aside, and that also sends out a most improper signal to the public.

I have no difficulty with the 3% and 0%. I wish the restraint had been brought in much sooner by this government, starting at the top and sending out signals. I really find it strange that I have now seen comments, I think, by two different leaders of teachers' unions who have said, "If the government will pave the way, if the government will assure us that it is not our board taking zero or our teachers taking zero and others are getting more, or it isn't just teachers; it's all of those in the public sector," who they know are very fortunate during difficult economic times to have a job at all.

If there is a greatest fear among those particularly in the private sector, it is the fact that they have already lost their job and they are unsure about being able to find one, or indeed that their job is in jeopardy and they may not have it next year. This is a terrible feeling for people to go through, for families to go through, and by and large those in the public sector for the most part do not have those fears in their day-to-day lives.

I have been most critical of that. The 3% is substantially less than the 16% that was given to the public service over one year; I cannot figure out whether it is for a year and a half or two years. I think it is appropriate. I just wish that the appropriate restraints had been brought in as well in the public sector.

I understand the appropriateness of the 0% for this year. I am very distressed, though, that with this example we do not do something with it, because the amount of dollars we are talking about is not substantial. What we are talking about, though, is the precedent and the setting of the example. If they are not going to do anything with that as a government, then I suggest they are making a kind of symbolic gesture with no real purpose. I hope there will be some purpose behind it and I want the government to know that it will get our support if it is going to extend this further than to ourselves.

I also want to mention the pension issue. Increasingly there are more and more concerns about MPPs giving themselves a lucrative pension. I see it in the press. I hear comments such as "Oh, you've got this fat pension plan." The member for Renfrew North, who is going to speak, and I have chatted about this, about what our friends and relatives are going to think. They think we have this big fat pension, and there is some truth to it. We do not have a bad pension plan. Let's be honest about it.

We are at the point, I believe, where we could take a leadership role on the pension issue as well. I do not think you can retroactively take away anybody's pension. In fact legally you could not do that, and I am not suggesting that. Many people who have been in a pension plan—and I use myself as an example—could not set up their own plan.

They could not have an RRSP, self-directed or otherwise, because of the amount of contributions we make to our pension plan; 10% of our income is paid into our MPP pension plan. Whether any money is paid into it by our employer, the government, is debatable, but I can say that our employer guarantees the payout because we have a defined benefit plan.

Perhaps we should be leading the way in saying we can set an example here and do away with this cash-for-life-guaranteed plan, whether our contributions provide enough money for it or not. I do not know whether they do. Actuaries will argue up and down, left and right. But I would be prepared to start today—you cannot go retroactively—for newly elected MPPs, to say we will contribute X amount of dollars ourselves to a pension plan. We may, as part of the package, ask our employer to match that. Sometimes employees put in a certain amount, 5%, and the employer matches that. That is part of the pay package. It has to be costed into the benefits, our salary package, including pension. But whatever that level is, I would be most comfortable with that. I would be most comfortable investing that money myself.

The member for Renfrew North and I have worked these numbers ourselves when we discussed this. In many cases I believe an individual would be better off, but more important than that is that the plan would be fiscally responsible. It would be up front. My contribution would be up front; if my employer makes a contribution to it, it would be up front. We would know what it would cost. There is no hidden cost down the road and there is no question of taxpayers subsidizing our pension plans down the road and having actuaries argue about it, because it is the perception that bothers the public so much, and that affects our credibility. It affects our ability to lead. It affects our ability to govern, all of us, regardless of who is in government.

The days when the pay bills go through on the nod are gone, in my view. The days of backroom deals are gone, because particularly with this government, any initiatives the Premier suggested to me—he asked for my help—and was prepared to deal with, he has long since abandoned. We are going to have to speak up. We are going to have to be up front.

If some wish to misinterpret our remarks, that is fine, but I felt it was important that I, on behalf of my caucus, express the view that we are not disappointed with fiscal responsibility. We wish it had been brought in a little sooner. We are not disappointed in using that example of fiscal responsibility to lead the way and we can only push the government and hope it will not make the same mistake of last year and will indeed bring in proper restraint and control of expenditures.

I express my strong disappointment that we have not addressed the too-long-standing issues of the public, the tax-free allowance and the fact that we are sitting here voting on our own pay. I am not at all comfortable in proceeding this way on these matters, and for that reason I will not support this bill.

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Mr Conway: I enjoyed the comments of my friend the member for Nipissing, who brings a 10-year experience to this debate. This is one of the most sensitive debates I can think of in the political world here at Queen's Park or in any other parliamentary context.

Let me say at the outset that I absolutely support the bill and the policy which underlies the bill. I cannot conceive that any government, New Democratic, Liberal or Progressive Conservative, in these circumstances would consider for a moment an alternative policy. We might like to imagine that in these dire economic circumstances there is a theoretical possibility of an alternative and, to be sure, there is. But we must recognize the realities of our current situation and those realities, in my view, dictate this policy. I will say in here today what I have said since the policy was announced some weeks ago: I support it unabashedly.

Having said that, I recognize the difficulty some members are going to have with this. I want to put my own conflict of interest right before everyone here and watching. I am a 40-year-old single person for whom a salary of the equivalent of \$60,000 is a very good salary. If I had, as many of my colleagues do here, a spouse and three or five children or more, as the case may be for some, then there is no question that the pay afforded to honourable members is not a king's ransom.

I am also old-fashioned enough to believe that there is an element of public service associated with offering one's self, whether for municipal council, school board, the local Legislature or the national Parliament. I have said that before and it has not won me a great round of applause nor won me very many friends in some circles. I repeat, I say that as one member of this Legislature carrying no mandate from my caucus colleagues or anyone else to say that.

The pay question is framed to some extent by one's own personal circumstances. I can say now, and my friend from Manotick will remember, I had a colleague who was in this Legislature for 24 years. The late Paul Yakabuski, who was married to my first cousin, came here in 1963 and served for 24 years. I often think now of not just the kind of financial sacrifice he made, but the kind of family sacrifice that was made to serve in this Legislature for what was paid in most of those years. All the members know that the late Mr Yakabuski ran a very successful business and certainly he would have been far better off in financial terms to have stayed back in Barry's Bay and run that family business.

I can tell members as well that 62 years ago my grandfather came here, in 1929, and served for 16 years. During most of that time he was paid something like \$2,000 as a sessional indemnity. I remember well—he lived to be 101 years of age—he used to tell me he thought it was a very serious business, verging on a scandal, that when I was elected in 1975 I was paid \$15,000 as a basic salary with a \$7,500 tax-free allowance and with a number of other allowances like the housing allowance which were not even dreamt of back in his period from 1929 to 1945.

I used to think and sometimes say to him that when one adjusted the dollars and adjusted the circumstances, \$2,000 in the Depression era for eight or 10 weeks of

sitting was probably at least as much as that which was paid to those of us in the 1970s or in the 1980s. But I repeat, the pay question is a very delicate and difficult one, and I can well understand how, with 130 members, there will be a very wide range of opinion.

I can tell you, Mr Speaker, that the people of Renfrew North who sent me here expect that this question is going to be decided with some regard to the taxpayers. I represent an area in the eastern region of the province where at the present time—and you have heard me go on at some length about this—the loggers, the retail clerks, the farmers, the small business people, the organized and unorganized workforce in communities like Pembroke and Deep River and Eganville and Wilno and Renfrew are hurting as they have not hurt in my lifetime. It would be totally unacceptable for this Legislature, it seems to me, to pass a pay bill that was apart from that reality.

We can all imagine theoretical circumstances that might occasion a different bill than the one before us now, Bill 163. But the people of Renfrew whom it is my pleasure to represent would want me to decide this question, having due regard to their circumstances. I must say I have a job that will keep me here for at least three and a half more years, till probably some time in the spring of 1995. That is a job security that most of these people, my constituents, do not have at the present time.

I convey their very deep-felt view that we as legislators must set an example. In that respect, I congratulate the government for doing what it did, belated as it was. I agree entirely with the implication of what the member for Nipissing said, that making the announcement on October 2, 1991, was seven to 10 months too late. The kind of restraint that was hinted at in the statements of the Treasurer and the Chairman of Management Board on October 2, which policy contained this pay freeze on members of the Legislature and the very top levels of the public service, is a restraint that most of the taxpayers would have expected and hoped for eight or 10 months ago.

What we now have is a situation where the Laughren budget is in haemorrhage, and it is in haemorrhage in part because the government refused to listen to what I know Treasury officials were telling it a year ago. How wilful a refusal it was remains to be adjudicated.

We now have a situation where, in this government's first fiscal year, it has allowed year-over-year spending on the wage and salary account to rise by 13.5% and it is facing what some governments before it have faced as well, sharply declining revenues and a budget that now is with a historically high deficit line, not just for this year but for three years into the remainder of this mandate at a \$10-billion baseline, a budgetary crisis that is going to turn the Treasurer white and the provincial books crimson red before we reach the middle point of this parliamentary mandate.

I want to simply observe the point, as has been observed by the leader of the Conservative Party, that this question, for as long as I have been in the Legislature, has been bedevilled by the private reality and the public perception. I think—my friend from Manotick will remember perhaps better than I—it was in 1981 that the then Premier William

Davis was faced with a decision around a recommendation from, I believe it was, the Commission on Election Finances that the members' pay ought to be adjusted substantially.

It was recommended in two parts, and Bill Davis, I think in 1981, although I may stand corrected, right after the election and just before the recession, swooped across Ontario, took the first step, and I think increased our base pay by something like 15% or 20%. I would not want to be quoted on the specific amounts, but it seems to me it went up by an amount of \$4,000 or \$5,000 on a base of some \$18,000 or \$20,000 at the time.

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The second element of that recommendation I do not think was adopted because of course, if memory serves me correctly, the 1982-83 recession was here. The Davis government faced exactly the same situation as the Rae government, and in my view it did the right thing, difficult as it was. I will share as well—I will not do it graphically because I still bear the lacerations of the sponsor of this bill and the leader of this government in the late 1980s. Hell hath no fury like a New Democrat spurned at the public purse.

When I think of the Everest of emotion and the Kilimanjaro of rage that poured forth from the member for York South on the subject of pay and perquisites, I will never match that. As I say, my failed years as government House leader left me with scars in some pretty sensitive places from the unrequited desire of the NDP caucus on this most sensitive question.

I heard the remarks made by the government House leader. I suppose if anything makes me feel good about this particular policy in so far as its private conception and application within the quiet corridors of this place is concerned, it is that the architect of the policy is none other than the member for Dovercourt, the now Chairman of Management Board, the former chairman of the Toronto school board, and the sponsor of this bill is the member for Windsor-Riverside.

That the lexicon of restraint is being preached by these two gentlemen makes me understand it is truly a brave new world in which we now find ourselves. I cannot find words in the English language to convey my incredulity at hearing the member for Dovercourt tell this assembly about the first-order importance of restraint in so far as the public expenditures related to the payment of members of the Legislature are concerned. That suggests to me all things are possible.

That we could get such a fetching, such a touching and such a heartwarming lecture on situational ethics as we have received this afternoon from the government House leader on why he has had to do what he has had to do, which is really not what he believes in or what he wants to do, is an equally memorable occasion that I for one will not soon, if ever, forget.

I think the member for Oxford has something to say. I think it is important I observe that, because the member for Oxford would not have the same degree of history. He has a wonderful charm that applies to a lot of things, but in this

connection his experience is slightly more limited than mine.

If I had got this lecture, this bill, this policy from Mel Swart or Donald MacDonald or the ghost of J. S. Woodsworth or the ghost of Agnes Macphail, boy, I tell you, I would kneel and genuflect and sing a *Te Deum* of praise to their consistency. But to get this from the member for Dovercourt and the member for Windsor-Riverside, it is the Christmas season but let me say this: Like Peppridge Farm I will remember, because I personally want to say that in the overall scheme of things this is a very helpful development.

The day may come later in my parliamentary life when from a slightly different perspective I will re-engage this debate with those two honourable members. I will remember the day, December 11, 1991, because I think it will be an important day for me to be able to cite in the reinforcement of my position which I think has remained reasonably consistent over time.

I want to deal specifically with some aspects of the policy that have been alluded to by the government House leader and by the leader of the Conservative Party. I want to start by taking up the question that some people feel—

Mr Hayes: He is not interested.

Mr Conway: I know the member from Manotick is very interested and I expect at some point he might even want to engage in the debate. I think I can say without any fear of contradiction that the member from Manotick and I do not see eye to eye on this question. We are agreed on some things, but in the past we have not always shared a common perspective.

I come back to the earlier point on this question. I expect that 130 members are going to have a particularly idiosyncratic point of view, because believe me, the circumstances of individuals bear on this question. I understand the situation in which I find myself. My personal circumstances are very different from other honourable members'.

The member from Kent West is certainly someone who may want to explain that from his point of view, but I do not wish to impose my circumstances on anyone else. I have no right to do that, but I have a right to represent my constituents' views and I have a right to offer some personal perspective as well.

I want to come back to the earlier point. There are those who have argued over the years, and my good friend Donald MacDonald of the leadership of the Co-operative Commonwealth Federation, now chair of the Commission on Election Finances, is one of those people who believes, as I recall it, and I think some other members and perhaps even some in the Conservative Party believe, that it is possible to establish an independent panel that will settle this question and relieve honourable members of their inherent conflict of interest of being both player and referee in this game.

I understand that point of view, but I reject it as being unrealistic and impossible. It is an interesting theoretical possibility, but I do not believe that in our kind of democratic society, on a question such as this, it is reasonable to

imagine we are going to be able to escape the appropriation that Parliament must make in this connection. It is a naïveté of a fetching kind to imagine that one can.

I will cite but one example. Those members who watched the American debate will remember a couple of years ago that Congress wrestled with this very great difficulty. I suggest that the difficulties in Congress are greater than they are in either the Parliament of Canada or any of the provincial legislatures. As members know, Congress is faced with the situation where there are senators and congressmen who are out speaking and earning money by virtue of their elected office that has caused grave ethical concerns.

Mr Sutherland: Disgusting.

Mr Conway: The member for Oxford says "disgusting." I think in some respects it is disgusting because it has undermined public confidence in what is going on on Capitol Hill. In an effort to deal with this, Congress struck a blue ribbon panel, and the blue ribbon panel made quite an interesting set of recommendations, I thought. Of course they came along about the time that Speaker Wright was in great difficulty for working some accounts just on the edge of what were thought to be the approved rules. Of course, Jim Wright was essentially removed from office by virtue of that particular difficulty.

I will never forget, because it was around Christmas or the new year, when the blue ribbon panel made a recommendation and a bipartisan committee had agreed to that. The men and women of that Congress went home and all hell broke loose. I can remember. I can still see Daniel Patrick Moynihan. I can see Rostenkowski. I can remember Gramm and Rudman and all the rest trying to explain from Dallas to Dixie Notch why they had done what they had done, which was really not to do anything at all except to accept the recommendation of the blue ribbon panel. The people of the American republic did not buy it and drove Congress back from that position.

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I cannot imagine we could ever, as much as we might like to, in the interest of dealing with what is an obvious conflict of interest, remove ourselves from that ultimate responsibility. I personally do not believe it is possible, though a distinguished array of tenured university professors earning an average of \$80,000 a year will tell us it ought to be so. Anyone who understands anything about the real world of democratic politics and where responsibility and the buck comes to rest will be quickly disabused of that notion, and I cite but that one recent example from the great republic to our south as evidence in support of my view.

Having said what I have said, I want to say some other things that have to be put on the record. My friend the member for Nipissing rightly cited another of the irritants that has really got people's attention in the community, and that is the question of our conflict of interest. Is it not a wonderful place where members get to vote their own pay and working conditions? Is it not a wonderful place where members get these indexed pensions? Is it not a wonderful

place where members have got a variety of these other things?

Interjection.

Mr Conway: In some respects it is. I am perhaps not the best person to comment, because the day I left university I came to this place. This has been the only working environment I have ever known.

Ms Haeck: And then there's the real world.

Mr Conway: The member for St Catharines-Brock says, "And then there's the real world." I do not quarrel with her. I have found this to be a world of particularly focused reality on many occasions. Let me talk about that, because it is very fashionable for a growing number in the community to denigrate Parliament and politicians, and believe me, we have done enough to bring a fair measure of this abuse our way.

I must say, being familiar with the literature of 19th-century America and British North America, in some respects not a great deal has changed. I was just reviewing not too long ago some of the American press when Abraham Lincoln went to the White House. I do not ever remember such vilification and such character assassination as was offered to that now legendary great in American politics. If anyone imagines that abusing politicians is a recent phenomenon, I think a fairminded analysis of the historical record, certainly in the United States and to some extent in Canada, would set that notion to rest.

But what are some of the realities about which I want to briefly talk? I mentioned the first. We are ultimately responsible for appropriations made in Her Majesty's and the taxpaying public's names and we will never escape the reality that the public will deem us to be and hold us responsible for what is done. I think that is an important reality.

But there are some other realities. I just finished reading a couple of books and I would recommend both and they should be read together. John Warren and Robert Fife have written a book called *A Capital Scandal* and it is a very devastating look at the perks and benefits of elected office around Ottawa. My blood pressure was almost through the cranium, if that is possible, when I finished that 250-page book.

Mr Hope: Does this mean you're crossing the floor?

Mr Conway: No, I am not crossing, but I would recommend members read it, because the taxpayers are reading it and they see there a very hard hitting account of some of the special privileges that really offend them in an era when they feel their taxes are too high and their jobs are just disappearing. We have all had that experience.

Mr Sutherland: Does it have anything in there about Liberals?

Mr Conway: I will tell members there are Liberals in there who are hard to defend, there are New Democrats in that litany who are difficult to defend and there are Tories in that book who are difficult to defend.

The other book I would recommend as a companion piece is by C. E. S. Franks from Queen's University who wrote a book a few years ago called *The Parliament of*

Canada in which he looks at the parliamentary institution in the modern, contemporary period. There are a couple of things he observes, and I want to touch on those today.

For example, in the pension question—and a great deal of this pay and benefit issue attaches to the pension benefit—Professor Franks makes a very telling observation. I am going to underscore it with an observation relating to this Legislature that, according to Professor Franks's data, in the modern period, that is, the late 1960s through to the late 1980s, the average length of stay in the Parliament of Canada is five to six years. That is the reality.

I thought I was fairly knowledgeable of and comfortable with the data, but in reading his account of life in Parliament, the lower House, I was astonished to read his analysis of who goes, what takes them there, how long they stay and how many of them leave before they are defeated for a variety of interesting reasons. The only point I want to make is the average length of stay in the Parliament of Canada is around five to seven years, according to Dr Franks's analysis.

I want to just look across and around this chamber, in which I have had the pleasure to stand and speak for 16 years and some months now. When I first came here the Ontario Legislature was like a lot of provincial legislatures, with perhaps some exception made for the National Assembly of Quebec.

If one were elected to the local Legislature, by and large one's chance of staying there was not bad. My grandfather came and he was here for 16 years. My predecessor came and was here—in one case, Mr Yakabuski, for 24 years—Mr Hamilton, my predecessor, for 18 years. Retirement was often, although not always, voluntary but the average length of stay was considerable for many, though not all, members. The average was impressive.

What have we got now? I am not complaining about this, but I think in these kinds of debates we ought to look at the reality, though there is a very real pressure to be distracted by the perception. What is the reality? The reality is that in this province we have had successively three electoral decapitations, 1985, 1987 and 1990.

We are told by knowledgeable political scientists and survey researchers that we live in an age of unprecedented voter and electoral instability. I see no reason to believe that into the 1990s that is going to change. I have been absolutely struck by the absolutely unbeatable American president six months ago, now struggling on the ropes to maintain his head above water before the New Hampshire primary.

Who could have imagined 10 months ago, after the self-declared triumph of Pax Americana in the Middle East, George Bush would not ride to an easy re-election? In fact, the talk was about who would be crazy enough to run against him. Now he has challengers on the right and a whole array of punitive challengers on the democratic left.

I just ask members to remember, it was just a few months ago that Bush's White House was thought to be unassailable and now he is apparently in some real difficulty. A recent citation in support of that would be the Pennsylvania senatorial contest where Governor

Thornburg's 44% lead evaporated overnight, or over at least six weeks.

My point is that we are now, ladies and gentlemen, in this Legislature joyously engaged in very important public business in a place where electoral longevity, parliamentary longevity, is a thing of the past, by all accounts. I dare say, as I look around here on all sides, that after that 1995 Ontario general election, scores of this assembly may be washed out to sea, as they have been in the most recent provincial elections.

That is a sea change, if I can use an awkward phrase in support of that. That is a reality, and it is a reality about which we must take some cognizance. Gone are the days when the member from Simcoe, the member from Durham or the member from Renfrew could come here and expect to stay for 10, 12, 15 or 18 years. I have not done the calculation. My guess is that our length of stay is now down to something like four and a half years.

1650

More interestingly, I suppose, I am not arguing the case that we should build impregnable fortresses for ourselves so that no one can get at us, as has happened in the House of Representatives where the turnover is minuscule, and there are a whole series of reasons why it is. Congresses in recent years have simply been impossible to change. That has something to do with financing, with how incumbents are financed in both the Senate and Congress.

But when I hear—I have heard it from some of my good Liberal friends at Aylmer hotels recently—people in this country talking about the need for term limits in Canada, I am left almost speechless. It is unspeakable. Term limits for a provincial jurisdiction, Ontario, and a national Parliament where the average length of stay is four, five or six years? Give me a break.

I simply want to make the point that what we have now is a very short-term member of the Legislature and a very short-term member of Parliament by all accounts. I am not complaining about that. I am simply observing that.

I am sorry to distract people who are having private conversations, but the other aspect—

Mr Hope: We are listening to you.

Mr Conway: I know the member is, but it is just a little difficult.

The other aspect of this I would cite is that not only are we living in an age of very short-term stays in Parliament, but we now have something else that is perfectly understandable, and for those who will be called to executive council at some point it is a very real issue, and that is, married to this electoral instability, we have, and rightly so, a new dictate around conflict of interest. I just make the point that I am complaining neither about the voter's right to throw the rascals out nor about the need for conflict-of-interest rules.

My friend from Simcoe is a lawyer. The member for Elgin is a business person. The member for Windsor-Walkerville is also a lawyer. The two lawyers in question are not yet in cabinet, though I know at the parliamentary assistant level it is a real issue. I simply ask anybody listening who is anxious to see that Parliament is made up of

men and women of the broad spectrum, who represent a variety of life experiences and perspectives, to think about the intermediate and long-term implications of the electoral volatility and the conflict of interest. The combination of that over time, I think, is going to have a dramatic effect on the men and women who stand for Parliament. That may be an inevitable reality of contemporary life.

When I was asked to join a cabinet I was very pleased that I did not own anything other than my house and my cottage. I have to tell members I cannot conceive of ever serving in a cabinet and owning anything other than my house and my cottage. I could not imagine doing that.

I have great respect for the men and women of this cabinet and successive cabinets who are going to live with the new dictate. I know it is going to sound funny maybe or a little hollow, but to see what the member for St Andrew-St Patrick went through and to see what some others have had to live through is a very good example of the new world in which we find ourselves. When we talk about the question of paying members of Parliament an adequate salary, we must keep in mind what the exigencies of conflict of interest are and what the realities of re-election are going to be for most of us.

I will say to the member for Nipissing that I think the time is right to review the pension question because the pension question already been looked after has for this generation. I think the voters have done it for us. For those members particularly who have come here since 1987 or 1990, I am one of the old guard and I have said publicly I am not happy about the pension entitlement that is mine. I say again I understand that I represent one of the extremes. I always like to cite that Stephen Lewis, Dennis Timbrell and I were the types who came here young, managed to survive for 15 or 16 years and either served in cabinet or as Leader of the Opposition, and we are not exactly sure what they want to talk about when they have to defend this pension scheme.

I am quite prepared to make significant amendments to the pension scheme, including my own, because you cannot convince the people of Renfrew North or the people of any other part of the province, I believe, that I ought to be pensionable at age 40 at a very handsome rate, though I understand the actuarial calculation that makes it so. I understand that most of my predecessors in my part of the province who are entitled to that great pension died either in office or before they had a chance to enjoy the pension. That too is a reality.

I remember looking at that pension list a few years ago and being struck by just how many widows were on that list. I look around my own county and I think of the people who have served for many years in public office and who would have some entitlement. I think of the late Paul Yakabuski. I think of the late Maurice Hamilton. I think of the late Jim Forgie. I think of the late Jimmy Maloney. Most of the beneficiaries, particularly the ones who had long stays and who would have an entitlement, did not survive to enjoy much of that pension.

That does not change the fact that in Ontario in the 1990s there are some things we cannot defend. Pensioning people off at age 40 on an adjusted or an indexed basis is I

believe indefensible and we must find a way to deal with that. I think there are a variety of reasonable ways in which it can be done, largely because there are not many of us around. I have no intention of vacating this place, though the voters of Renfrew North might have something to say about that three or four years from now. That would obviously be their democratic right and it might be their duty at that point in time.

I make the point that before we tie ourselves in a knot over the pension question, we had better understand that it really relates to another era, the late 1960s, the early 1970s, when this job went from being a part-time job for which members were indemnified, excepting that if the member for Carleton was going to be the member for Carleton if he were not a cabinet minister, he would be coming down here for two or three months as my grandfather did, and he would have a day job as well.

Mr Hope: He does.

Mr Conway: I am not saying that is a bad thing, I have to tell the member. I will simply say very seriously that if I had a spouse and three children I would have to have another job as well. There would be no question of that.

The member for Sault Ste Marie raises his fingers suggesting he has four. I come from a political environment. I know the sacrifices people have made and I am very sympathetic to the situations in which most people find themselves, particularly at this point in time when they have every right to expect that they will be defeated next time or the time after, and that in many cases their defeat will have nothing to do with the kind of job they performed as local members. I do not say that with any partisan glee. It will apply to all of us.

I think one of the points Professor Franks makes in his very telling analysis is that we now live in an age when being a good local member of Parliament or a member of the local Legislature means less and less. In the last campaign and in previous campaigns, in 1985, I saw exceptional members, by virtue of knowing their legislative activity and their local constituency work to be far better than mine. I was saddened from a personal and private point of view, quite frankly, to see that on the night of May 2 they were defeated, and in some cases defeated by vast margins, knowing that the electorate really focused in on the central party questions and that in the end whosoever was the local candidate did not count for very much.

If I am a bit concerned by the accumulation of some of this, members can see why. They have got to understand now what we are asking people to come and do: "Come from Jarvis or Tavistock to the local Legislature, give up your family, give up your business, give up your farm, give up your upward mobility in the union and work long hours, do a good job and get ready for decapitation, not because of anything you did or did not do, but because perhaps the people did not like a broader question over which you had little or no control."

Most of us are here not just because of our interest. I believe there is a bit of an addiction in this business. In my case, I think I am a good example of what Robertson

Davies observed, that is, what is bred in the bone must out in the flesh. I think you are particularly vulnerable if you have grown up in an environment where there is some politics. I have been struck by the number who have come here who have had uncles or aunts or grandparents who have served as local councillors or MLAs or MPs.

1700

But I ask not just this assembly but people watching and the press to think a little bit about what it is we are now asking people to do and give up. It is a very tall order, and I wonder how many 40-year-old upwardly mobile men and women would be prepared to set aside what they have worked for to now run for office, taking these things into account.

I know it will continue to happen, and we must do everything we can to encourage it to continue to happen. But we have to deal with some of the elements that are leading to the cynicism that is out there, and that is why I would be prepared to look at the tax-free allowance. I would be prepared to revisit the pension question. I have to say that personally I would be totally opposed to a system whereby you would gross up the salary without dealing with the pension issue, because if you gross up the salary, what you really have—again it may be a theoretical benefit because of electoral volatility—is a very substantial increase in the pension base.

Mr Hope: Federal law won't allow you to do that.

Mr Conway: The member for Chatham-Kent says federal law will not allow you to do that, and perhaps so, but I agree with the member for Nipissing that we ought to look at the tax-free portion, if it can be done reasonably, because there is absolutely no question that it is a very real irritation to people out there because it makes us special.

The fact that there is no job security also makes us special. We should not be overwhelmed by the fact that there might have to be some special consideration for honourable members in light of the realities of the life we have chosen. We are all volunteers, and there ought to be no tag days for Conway or Sutherland or anyone else. We volunteered, we were not conscripted. But I would be prepared, if I thought it could be done in a way that was sensible, to look at the tax-free question. It is a difficulty for us and for the taxpaying public, and I am quite prepared to deal with that.

The deal that was made 20 years ago that I started to talk about a moment ago was a fairly straightforward one. The old Liberals and the old Tories and the New Democrats—I will not cite any examples, but boy, I have a memory of some of those gentlemen. I never quite understood. When you are newly elected these things do not count for very much. But boy, there were a couple of people here—and I guess I can say this as a matter of the parliamentary history of the New Democratic Party. This question was one of the questions that led to the overthrow of Donald MacDonald as the leader of the Ontario NDP.

People think of the sainted Stephen Lewis as just that: St Stephen, diplomat, raconteur and wonderful fellow, and he is all of those things and a lot more. But in the late 1960s Stephen Lewis was young and he was ambitious,

and with a cadre of newly elected, largely northern Ontario members, Stephen decided to challenge the Woodsworthian, Knowlesian, Jolliffean NDP-CCF attitude to pay and benefits.

Donald MacDonald was deposed, not entirely because of this, but Stephen Henry Lewis worked a number on Donald that I do not think Donald understood until it was too late. With the defeat, the deposing of Donald MacDonald, Stephen and his emboldened followers were just that: emboldened to take on those tight-fisted Tories, all of whom were in cabinet or had some prospect of being in cabinet or were chairs of committees or whatever those other offices were.

The Liberals, what few members there were in that caucus, were either here half time and at their farms or at the law offices the other half. It was not a really big issue for most of them, other than Pat Reid, who, like me, had never really done anything else and did not seem to want to do anything else back in the late 1960s and 1970s.

But what happened back then was a deal. It was not an official deal, just so members know what happened. It is a wonderful Ontario way of doing business. It is sort of like our liquor policy. I have said this to the members before. How did Ontarians deal with this terrible moral question of liquor?

After a lot of hand-wringing, the policy we have decided on is: It is terrible. It is really immoral. It is all kinds of terrible things, but if we have to have it, we are going to sell it in a government store, at a well-marked-up, heavily taxed rate and we are going to insist that, whether it is in Chatham or in Picton, we are going to take it out of a government store wrapped in a heavy-gauge brown paper bag so nobody knows what exactly people are doing, though we might guess.

Robertson Davies is a delightful author because he has plumbed the depths of this Upper Canadian psyche. The pay question, in the early 1970s, was solved in an interesting way. The boys got together and cut a deal essentially, if not officially, and the deal was: "Because there is some longevity, we're going to keep the pay ostensibly low, but there will be some benefits on the side that only discerning folk will figure out. We'll start to enrich the allowances"—a number of enrichments were made, some of them recommended by the Camp commission in 1972-73—"and we will upgrade LARA," the Legislative Assembly retirement allowance.

LARA is a favourite—I could use a phrase, but I am afraid I would be imagined as being sexist and I do not want to—but LARA is a dear friend of most members and LARA was adjusted so that essentially the deal was that salaries would be kept relatively low and the benefit would come later with a good pension. To get that good pension, the members have to serve 10, 12 or 15 years. It was particularly good if they served in cabinet or in any one of those jobs that bumped up the base.

That, of course, really favoured people like the then government for life, the Bob Nixons and the others who were opposition leaders and Stephen Lewis and Ian Deans and those people who had those offices with the additional emoluments. But that was the deal, and it was a deal they

could justify because not everybody—I do not mean to suggest that everybody who came stayed for ever; there were lots of people defeated—but by and large, the average length of stay was longer.

The newly elected member for Prince Edward-Lennox would say: "I can hold on. I don't like this pay." Every so often somebody would get up and say it but they would be quietened down on the notion that: "There's a good benefit out there. Just win a couple of elections and you'll get some consideration."

By and large, the public did not understand a great deal of this and in the good old Upper Canadian way it developed and to no great contention. Every so often, those people in Ottawa would have a big pay raise and all hell would break loose. None of that around the somnolent Ontario Legislature. That Camp commission made some extravagant recommendations for pay raises that were denounced by everybody mostly, and business went on.

My point is that in 1991 the ingredients of the equation have changed. None of us ought to expect a very long term in office, either as individuals or as members of a government. I think over time that will add materially to the mental health of all elected members of this Parliament and others, but gone are the days, at least for the foreseeable future, of any kind of longevity for at least the majority of this assembly.

So the pension question, in my view, takes on a totally different dimension. I do not see why this assembly ought to go to the wall to defend something that is extravagant in some respects. I look at myself and hold myself up as witness number 1. I say to the members, there is no point in defending that which is now irrelevant for most of us or for most of the members, I should say.

Final question—and I am not going to go on much longer; I know I have gone on at some length.

1710

Mr Bisson: Ah.

Mr Conway: I am just making some observations. The honourable member can get up and dispute this in any way he wishes.

I have had for some time a particular fixation with another concept that is richly depicted in the Fife and Warren book, *A Capital Scandal*, and that is called double-dipping—triple-dipping in some cases. I will not cite some of the references.

I will now speak publicly as a private member. I have said this almost from the beginning as a private member in opposition. I have said within the confines of the cabinet that I think it is indecorous and indefensible for certain kinds of double-dipping to occur. There are members of this Legislature and of other parliaments—I will not cite any, but they are being cited out there in the court of public opinion. There is not one of us who could go to a town hall meeting and, in good conscience and with any effect, defend the propriety of that double and triple-dipping. In my view it is wrong and should be dealt with.

The member for Norfolk wonders, perhaps, what I am talking about. I am talking about individuals leaving this place—my friend the member for St Catharines is trying to

provoke me by giving me a carefully selected pair of names and I am not going to refer to them because they have a partisan dimension. It would be unfair of me to do so because this is something that tars all of us.

I can point to some spectacular cases of New Democrats in various troughs, and the members opposite could point at some pretty prominent Liberals in the same connection, and we could both point at the Tories in a similar fashion.

Interjections.

Mr Conway: I am making a point, though. I am simply making a point that I love the business of politics and that I have a great deal of respect for all the members of this House who have stood for public office and who take the strain, the abuse, the joy and the sorrow of the job. But if we are going to be realistic and have any hope of credibility into the future, we have to deal with some of the irritants that are driving a lot of people to some of the quick-fix doctors out there who have a whole series of remedies for everything from fixed terms and term limitations to recall and initiative. My point is that there is surely a way where we can—

Mr Perruzza: You always make the point about being serious.

Mr Conway: I am glad the very noted arbiter of seriousness and decorum, the member for Downsview, has observed very sagely that I am getting serious. I say seriously to all members that I think it is devaluing our currency that we still allow those cases of obvious double and triple-dipping, where individuals served long and distinguished years in Parliament and leave with very good pensions that I can defend at a certain age. The argument for those pensions, remember, is that it is an uncertain business, and honourable members may very well be thrown on the stony fields of defeat some day, after years of not practising law or looking after their business.

That is a compelling argument that justifies good pensions, but what is to be made of a case when somebody leaves after 20 years with a very good pension and walks immediately to a job paying \$100,000? You just cannot defend that, and I am not out on any witchhunt. I have no difficulty.

This government has made a number of appointments. I am not going to mention names. I have no problem with people leaving Parliament after good service and going on to do other things. I have no problem with that at all. I like the rule, actually. One of the few things I like about the Senate is that if you are appointed to that other place you cannot take your parliamentary pension with you. That is forgone until your term in the Senate is ended. I think that is a good rule, and we should work out that rule for a certain number of the order-in-council appointments. I do not think that is unfair and I do not think it is unreasonable.

Mr Perruzza: Nixon would have a word or two with you.

Mr Conway: I say to my friends that this applies to all of us. If we do not start dealing responsibly with some of these very serious issues which are undermining public

confidence in Parliament and in those of us who are in Parliament, we should expect nothing but more of the abuse and devaluation of our currency that we see all around and about us.

I think there is a way we can do this. There will be some loose ends and there will be some unfinished business, but we all know of cases. I read that Warren and Fife book. I was so bloody mad at a certain point I wanted to go to a town hall meeting and debate and fight about it, but there was just enough that was absolutely indefensible in those cases that I would not want to go to the town hall meeting. We have to deal with that. It is in our collective interest that we deal with it. That is enough said on that point.

I want to finally make two points and I am not going to be popular for one of them. Supporting this bill and the policy statement of October 2 made by the Chairman of Management Board that informs it, I expect the government, as the member for Nipissing expects, is going to be serious about restraining public expenditures. I congratulate the government for starting at the top and working its way down. If we have learned anything, as has been said by some others, from the failed federal experience of this year, it is that there is absolutely no gain and no credibility in starting at the bottom after you have apparently fixed the salaries of everyone from the governor of the Bank of Canada to the deputy ministers of XYZ and whomever else at the top of the pyramid.

I support this bill because I expect the government is going to be serious about restraining public expenditures across the board. It is not going to be easy. It is going to be particularly difficult for a social democratic government. It is going to be positively a learned experience for the former chairman of the Toronto school board, the member for Dovercourt. There is a delicious irony that he should be the one leading this charge. He is a very capable fellow. It will not be for lack of intelligence that he will fail. There may be some difficulty explaining his recent past, but we all have a past and we all have a future, I suppose, as well.

More specifically, I say to the assembly and everyone associated with this assembly that we had better start looking—I say this as a private member—at the expenditures associated with this place. I served very unhappily as a member of the Board of Internal Economy for two years. I have served in various cabinet responsibilities. I have served on standing committees. I am going to say that may almost be heretical. I have been struck by the air that pervades this place, the so-called Pink Palace, where not just at the elected level but at the support level there are not a few people who take the attitude that nothing is too good for our boys and girls. This is, after all, the proud son or daughter of Westminster.

There may be recession in Chatham and there may be depression in Barry's Bay, but nothing is too good for the proud successor of the great tradition of Westminster. If we need a new this or a new that, if there is conference this or if there is meeting room that, it is an appropriation that must be approved on the nod. We are all to blame, not just the elected members, I say guardedly. We are well served by the staff associated with the Office of the Assembly.

But on a bad day someone might decide to look at the growth of the Board of Internal Economy's appropriation. I have some real responsibility for that and I am not embarrassed to admit it.

We had better understand that the recessionary environment pressing down on individual communities and on individual departments and agencies of this government better soon start pressing down on this assembly. Every so often I walk by, and again I am very personal in my observations, I am very old-fashioned on some of these things, and boy—

Mr Bisson: Progressive.

Mr Conway: Oh no; I tell the member I have friends and colleagues who would not consider this progressive. But I walk by mail rooms in this place and I walk by other places and it is not apparent to me that there is any kind of recessionary pressure on certain accounts around this place. We had better start applying an example there as well as in Bill 163.

1720

If I were a taxpayer and I got some of what is to be got from Queen's Park these days, I will tell members that they would get a visit at their constituency offices and it would not be very pretty. It is just a personal point of view and it does not just affect members of the Legislature, because as I say there is an attitude around the Pink Palace that I never, quite frankly, found in those departments for which I had responsibility. Nothing, goes the adage, appears to be too good for all the good works contained within that appropriation that is the Office of the Assembly. That, I think, should be looked at and responsibly dealt with.

Finally, I just make the point that having—

Interjections.

Mr Conway: I said two points. That was the first. The second is somewhat of a partisan observation.

Mr Perruzza: I hope you speak a little longer on the second. I was just beginning to enjoy the first.

Mr Conway: When I see the member for Downsview I am reminded of a marvellous book and a marvellous line. Lord Blake, known to some members as a Conservative peer and as a British historian of incomparable ability, wrote a wonderful biography of a marvellous British politician, Benjamin Disraeli. In that book Lord Blake wrote something that is very much like this, and I think of this when I observe my dear friend the member for Downsview.

Lord Blake said that the British general election of 1832, rather like the British general elections of 1906 and 1945, was rather like one of those great explosions on the ocean floor in that it threw to the surface of the sea all manner of submarine life not ordinarily seen by the human eye. I think it is a felicitous application for the honourable member for Downsview. The joy of democracy is its sweeping unpredictability.

The last point I want to make has to do with the appointments process. I have been struck by the new regime that is in place. Carol Phillips is a busy person. I know something of Carol Phillips and I think she is a very quali-

fied person and she does that job with, I suspect, ruthless efficiency. I think it is only possible in a social democracy, like the one we now have in Ontario, that one could have such a transparent construction as that patronage mill Carol Phillips runs and that anybody would take it seriously. But I credit the new government that it is a fiction that has won widespread support. I will tell members that politics is a lot about perception.

Mr Wiseman: It is a good process. You've got a lot of people there who would normally—

Mr Conway: Oh, absolutely. I look at the list, and as I have said before the first appointment in my county was the NDP candidate. The bad old Tories would always wait a few months or a few years, and they were very reluctant, actually, to appoint the former candidates. But I can just tell members from what I have seen, there is no shame apparently in bringing—

Interjections.

Mr Conway: There is no reluctance at all in the NDP to bring forward deserving members of the movement. I just want to conclude by observing—

Mr Wiseman: Sean, the first one in my riding was a Liberal.

Mr Conway: I would never engage the omniscient member for Durham West in this kind of debate. I thought the member for Etobicoke West did an effective job of that the other night. I cannot really add materially to it.

I was struck to get a press release the other day, I say to my friend from Manotick—keeping in mind that we are talking about restraining public expenditures in the name of prudent and good management—where the Attorney General, who cannot seem to run any kind of prosecution in Ottawa—that would produce a speech. I probably cannot talk about that, though. If you live in Ottawa, you would want the Attorney General to go up and see about dealing with some prosecutions. I was struck by the announcement the other day that we have a new chair of the Assessment Review Board, and that chair is none other than Mr Andy Anstett. I do not know what the chair of the Assessment Review Board is, but it is a full-time job, probably paying something in the range of \$75,000 to \$110,000.

Mr Bradley: Is that the former NDP cabinet minister from Manitoba?

Mr Conway: My friend the member for St Catharines asks me, "Is that the former NDP cabinet minister?" The answer is yes.

My only point is that as we hear the government House leader and the Chairman of Management Board talk about, "Times are tough. We are cracking down on members. We are cracking down on senior public servants," we none the less see from the government that the joyful legacy from Andrew Jackson's White House of 160 years ago, the spoils system, is alive and very well.

Now we have a government that is airlifting candidates, not just for the bureaucracy where we have seen a remarkable degree of it—as I say, when Hugh Segal brought Bernard Ostry to the Ontario public service I took

some note, but at least that was within the old confines of Upper Canada. I am struck by the New Democrats I have met from Newfoundland and from Manitoba and from British Columbia. They are everywhere. Largely they are everywhere in the public service, where I gather a creative tension is under way the like of which we have not seen since the short-lived Miller administration.

My point is that they are now bringing in well-known New Democrats from other provinces and putting them in plum patronage jobs. I think that is something worth observing. I say to my Jacksonian friends in the NDP that I am just assuming that their rigour and determination in constraining public expenditure will apply to all their friends being airlifted from Winnipeg and Newfoundland and Victoria, among other places, to staff a wide range of public responsibilities at this critical time in the history of the province.

1730

Mr Sterling: I just want to add very briefly to this debate. I always enjoy hearing the member for Renfrew North speak on this issue. I do not disagree with many of things he has talked about. I should add, and perhaps he was not aware, that the New Democratic Party candidate in the election I ran in was a young fellow named Alex Munter, and what I found amazing about this new administration was that Alex got to Queen's Park before I did and I beat him in the election. I could not believe it. I arrived down here at Queen's Park and Alex Munter, alias Doogie Howser as they named him in the Ministry of Health, was the executive assistant to the Minister of Health. I could not believe—

Mr Bradley: And making more than you.

Mr Sterling: He might have been making more than me. My salary is published but the executive assistants' to ministers are not published. Anyway, Mr Munter arrived here earlier than I did. Here is a young fellow 21 or 22 years of age who ran unsuccessfully in the election and who arrived here earlier than I did. I thought, "Oh oh, is this what is going to happen with this government?" Are they really going to appoint all these people, pay them all off? It has come to pass, as was noted before, and we see it day after day.

I just wanted to add that to the debate. I thought it was important that the people understand that people are not only brought in from out of province. I guess it has happened in the riding of everyone who is in opposition who defeated a New Democratic Party candidate.

Mr Bisson: It is always with pleasure that I have the opportunity to listen to my colleague the member for Renfrew North who has, I must say, a very elegant way of putting sometimes a very interesting argument, to say the least.

I just want to comment on one thing that really struck me. He talked about the whole political appointment process in Ontario and also asked us to pay attention to the government airlifting people into Ontario on appointments and working in key positions within various ministries or government agencies.

The point I would just like to make is that in May 1982 in Saskatchewan, when Mr Devine came in and formed a government after some years of New Democratic government in Saskatchewan, he decided he was going to turf out all the really good, key people whom they had there within the ministries that had been built over, some professional bureaucrats who had been there for a while.

The interesting point was that the majority of those people were picked up by none other than Mr Brian Mulroney and also by Mr Don Cameron of Nova Scotia, the point being that obviously there are some good people out there. The point I am making is sure, there are going to be some people from inside and from outside the province; you get the best people for the job.

On the question of appointments, somehow I think the member was trying to paint a picture of a somewhat partisan method of appointing people to boards and commissions in Ontario. I would say that the opposite is true. I think this government has been very forthright in trying to make sure that we get the best people possible to serve the people of Ontario.

None other than the former interim leader of the Liberal Party, Mr Robert Nixon, was appointed to the post of Canadian High Commissioner to Britain, and also Andy Brandt, who happened to be a former leader of the third party—but the point is that they are good people. We should not look at appointing people strictly on partisan politics but on their ability to do the job.

Yes, there are also plenty of New Democrats in Ontario who will be appointed because there are New Democrats obviously, who have the ability to do the jobs, but our government is saying, "Let the best person serve." That is exactly what we are doing and we are proud of that record.

Mr Bradley: I too enjoy from time to time the remarks that are put forward by the member for Renfrew North. Sometimes I agree with them and that is most of the time, and from time to time we have different points of views on issues. That is what makes the Legislature an interesting place.

One of the things happening in Ontario that I think the member for Cochrane South made reference to that I find a bit disconcerting is the importation of people from other provinces—I understand it happens not exclusively to this government—the number of people who are in the civil service today whom one would consider to have a partisan political background.

Ontario has prided itself over the years in having a non-partisan public service. When I look at the people who are now leaving the public service, and there are many of them at the deputy and assistant deputy level, at the director level and so on, I see that they are being replaced by people who would be clearly identified as New Democrats.

The reason I mention that is because the member for Cochrane South made a very accurate observation about Premier Devine cleaning house. The problem is, when you start making the civil service partisan, it means if a new government is elected it tends to clean house again, the suspicion being that all the people who have been brought in who are ideologues, as they might see them, in fact should be removed. In that process some good people,

regardless of their political background, are lost to the system. I caution the government about completely removing the people there now who are non-partisan civil servants and replacing them with New Democratic Party ideologues.

Mr Jamison: I was very interested and pleased to listen to the member for Renfrew North give his oratory on the history of how remuneration is received in this House and elsewhere. I am also pleased to hear the member is supporting the bill coming forward and I know it is a difficult time.

As we go from here we will find that Ontario is not the only province under pressure and restraint. I know we will hear in the future—I have the sense that we will feel frustration when numbers come in across Canada. But there is also the realization that in the public's eye, regardless of what we do in this House in dealing with our own remuneration, it will be dealt with fairly by some and unfairly by others. The public will understand that these decisions have to be made and this one, I believe, is fair to almost everyone in this House considering the time.

I also appreciated the comments, if we are going to deal effectively with the situation at hand, that we start at the top and work our way down. The experience has been different at the federal level, and I agree wholeheartedly with that statement. I understand that this issue is dear to many of the members here in this House since there has not been any increase here for quite some time, and I would like to state again that I appreciate the point of view of the member for Renfrew North.

Mr Conway: On the question of patronage, to which I drew attention mischievously with the reference to Andy Anstett's appointment, I make only this observation again, that the saints now walk through the corridors of power and the sin and evil of patronage so vigorously and lengthily complained of by the NDP in Ontario is no closer to elimination, hardly close to absolution.

I make as well the observation that they have now brought a truly transcontinental application to its Upper Canadian possibility and they have done so with a rigour, a vigour and a consistency that I think puts Tories and Liberals very much in second place. I am not surprised. My experience with the NDP is that its members feel a special calling when it comes to the public trough and they can justify, in a way Grits and Tories rarely can, their particular calling under whatever standard the government might bear.

Finally, I make the point that the pay bill invites an examination of some of the issues at the core of the cynicism surrounding politicians and the political process. I commend the government for what it has done. I know it was not easy.

As we move forward from this bill over the life of this Parliament, I say to all in this Parliament who are likely, according to the independent analysis, to serve in probably but one Parliament, two at the most, for a maximum of

about six years, in our relatively short stay here we are honour bound, I think, to look at the issues causing the cynicism and together we should carefully and reasonably move forward to address those concerns in a responsible way that I think we can.

The Acting Speaker (Mr Villeneuve): Further debate on Bill 163? The honourable minister then may want to wrap up.

Hon Mr Cooke: I think we are ready for the vote.

Motion agreed to.

Bill ordered for third reading.

FINANCIAL ADMINISTRATION AMENDMENT ACT, 1991

LOI DE 1991 MODIFIANT LA LOI SUR L'ADMINISTRATION FINANCIÈRE

The Acting Speaker (Mr Villeneuve): Honourable government House leader, I believe we have a vote scheduled for very shortly.

Hon Mr Cooke: We might as well call in the members for the vote at 5:45.

The Acting Speaker (Mr Villeneuve): Call in the members for Bill 156. It is a five-minute bell.

1741

The House divided on Mr Laughren's motion, which was agreed to on the following vote:

Ayes—56

Abel, Akande, Allen, Bisson, Boyd, Carter, Charlton, Christopherson, Cooke, Cooper, Coppen, Dadamo, Drainville, Farnan, Fletcher, Frankford, Haack, Hampton, Hansen, Harrington, Hayes, Hope, Jamison, Johnson, Klopp, Kormos, Lessard, Mackenzie, MacKinnon, Malkowski, Mammoliti, Marchese, Martin, Mathysen, Mills, Morrow, Murdock, S., O'Connor, Owens, Perruzza, Pilkey, Pouliot, Rae, Silipo, Sutherland, Ward, B., Ward, M., Wark-Martyn, Waters, Wessinger, Wildman, Wilson, G., Winninger, Wiseman, Wood, Ziemba.

Nays—25

Arnott, Bradley, Brown, Carr, Conway, Cousens, Cunningham, Daigeler, Eves, Fawcett, Grandmaître, Harnick, Jordan, Mancini, McClelland, McLean, Miclash, O'Neill, Y., Phillips, G., Poirier, Ruprecht, Sterling, Stockwell, Tilton, Turnbull.

The Acting Speaker (Mr Villeneuve): Is it the pleasure of the House that the bill go to third reading?

Hon Mr Cooke: There has been an all-party agreement that this bill will go to the finance committee for one day of hearings.

Bill ordered for standing committee on finance and economic affairs.

[Report continues in volume B]

ERRATUM

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O'Neil, Hugh P. (Quinte L)

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Wildman, Hon/L'hon Bud (Algoma ND) Minister of Natural Resources, minister responsible for native affairs/Ministre des Ressources naturelles, ministre délégué aux Affaires autochtones

Wilson, Hon/L'hon Fred (Frontenac-Addington ND) Minister of Government Services/Ministre des Services gouvernementaux

Wilson, Gary (Kingston and The Islands/Kingston et Les Îles ND) parliamentary assistant to Minister of Culture and Communications/Adjoint parlementaire de la ministre de la Culture et des Communications

Wilson, Jim (Simcoe West/-Ouest PC)

Winninger, David (London South/-Sud ND) parliamentary assistant to Attorney General, parliamentary assistant to minister responsible for native affairs/Adjoint parlementaire du Procureur général, adjoint parlementaire du ministre délégué aux Affaires autochtones

Wiseman, Jim (Durham West/Durham-Ouest ND) parliamentary assistant to Minister of Correctional Services/Adjoint parlementaire du ministre des Services correctionnels

Witmer, Elizabeth (Waterloo North/-Nord PC)

Wood, Len (Cochrane North/-Nord ND) parliamentary assistant to Minister of Natural Resources/Adjoint parlementaire du ministre des Ressources naturelles

Ziemba, Hon/L'hon Elaine (High Park-Swansea ND) Minister of Citizenship, minister responsible for human rights, disability issues, seniors' issues and race relations/Ministre des Affaires civiques, déléguée aux Droits de la personne, aux Affaires des personnes handicapées, aux Affaires des personnes âgées et aux Relations interraciales

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Clerk/Greffier: Smirle Forsyth

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97B 1991



97B 1991

ISSN 1180-2987

Legislative Assembly of Ontario

First Session, 35th Parliament

Assemblée législative de l'Ontario

Première session, 35^e législature

Official Report of Debates (Hansard)

Wednesday 11 December 1991

Journal des débats (Hansard)

Le mercredi 11 décembre 1991

Speaker
Honourable David Warner

Clerk
Claude L. DesRosiers

Président
L'honorable David Warner

Greffier
Claude L. DesRosiers



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LEGISLATIVE ASSEMBLY OF ONTARIO

Wednesday 11 December 1991

[Report continued from volume A]

1750

GASOLINE TAX AMENDMENT ACT, 1991

LOI DE 1991 MODIFIANT LA LOI DE LA TAXE SUR L'ESSENCE

Resuming the adjourned debate on the motion for second reading of Bill 86, An Act to amend the Gasoline Tax Act / Projet de loi 86, Loi portant modification de la Loi de la taxe sur l'essence.

Mr Mills: I am very pleased to rise and take part in the debate on Bill 86, the Gasoline Tax Amendment Act, 1991.

Interjections.

The Acting Speaker (Mr Villeneuve): There are many private conversations. The honourable member for Durham East has the floor.

Mr Mills: I am pleased to rise and take part in this debate on Bill 86. I am not going to be like some members who speak for three and a half hours, and at the end of that three and a half hours say absolutely nothing and the people who are watching on television knew more before they started. It does nothing for the vast audience that watches these proceedings in Ontario. They get fed up with that claptrap they watch and then they switch off and do not watch the meaningful debate in this House.

Last week I had the opportunity and the honour indeed of addressing the Durham region inaugural council meeting. Those meetings are very important in the riding.

Interjections.

The Acting Speaker (Mr Villeneuve): Order, please. I am having great difficulty hearing the honourable member who has the floor. Please allow him the opportunity.

Mr Mills: This regional council inaugural meeting is a very important function in the riding and I was very pleased to be there. At that meeting there were the mayors of Whitby, Oshawa, Uxbridge, Newcastle and Scugog. It is a very warm, exciting moment in their lives to debate and think about the things that they want in their ridings and in their municipalities. Those mayors spoke very vociferously of all the great improvements they want to see in their term of office. They want sewers. They want water. They want everything that could come in.

During that night's discussion that I had with those folks, the question came up of how we were going to pay for these things. That is the nub of the amendment in Bill 86. How are we going to pay for the things we need? How are we going to pay for the things the constituents we represent demand that we supply?

How do we do that? Are we going to print money? Of course not. The members opposite have blamed the draconian NDP government with its hairy ideas for the state of the economy that we are in today. The economy and the recession have absolutely nothing to do with this government. It is a worldwide recession and it is a result, mainly in

Canada and in Ontario, of Conservative economic policies. We have the GST, we have the high rate of the dollar and we have high interest rates. All these things have contributed to the state we are in now.

How would the Conservative Party address a recession? One of the things they would do—I hope every civil servant is listening with attention—to address the recession would be to cut the civil service by one third. That is a start they would do. I hope all the civil servants in this building and across Ontario are listening, because those are their tactics; that is what they would do. When the civil servants had used up their separation pay, their holiday pay and the restricted UI pay, they would be on welfare. That is what would happen with the policies these people would make if they were in power.

Interjections.

The Acting Speaker (Mr Villeneuve): Order, please. There are many private conversations and a great deal of heckling, which is totally out of order. The honourable member for Durham East very legitimately has the floor. Other members will have an opportunity if they want to question or comment or if they want to participate in the debate, so please, the honourable member for Durham East.

Mr Mills: Thank you very much, Mr Speaker. I realize their enthusiasm is hard to contain and I sympathize with you as Speaker.

The last speaker but one was the member for Ottawa-Rideau. She is not here this afternoon. I would like to speak about some of the things that were said then. She spoke about cheaper gasoline in the United States. I do not know how many people in this House have driven to Washington. When they go to Washington, it gets very annoying because it seems that about every quarter of a mile you get stopped by a booth, you put your hands in your pocket and it is 35 or 50 cents. After a while this gets very annoying.

I have some friends who live in the United States and I have had some discussions with them over this. They said, "For the aggravation and the nuisance we would willingly pay some more gasoline tax," if they could take away all these booths that hinder them going to work, coming home and every time they turn around in Washington. We were talking about gasoline prices in the United States. The member for Ottawa-Rideau said gasoline is cheaper in the States. Of course it is cheaper in the States, but we do not have the toll road structure in Ontario that they have in the United States.

From this Legislature to my riding in Durham East I travel to and fro on Highway 401. I am amazed at the number of cars I see travelling into Toronto bearing New York licence plates. The reason they are doing that is very simple: They are trying to avoid the toll fees of the New York State Thruway, so they come up and zip by. So much for cheap gas, but they use our roads to facilitate their movement across Ontario and they save the fee.

Mr Stockwell: Sure they do. A buck and a quarter in tolls against \$15 or \$20 in gas. That is a different logic.

Mr Mills: The member for Etobicoke West wants to interrupt me. I never interrupt him. He keeps on and on.

Interjections.

1800

Mr Mills: No, I am not. I have manners in this House and I wish he had some too.

A lot of people drive to and from Florida, and I can tell members that as soon as you hit the Sunshine Expressway in Florida to go to Miami, I think it costs \$16. That is another toll. They have cheaper gas, but there are some side effects to the cheaper gas.

We look at the infrastructure of our roads in Ontario and the roads in the United States. I can remember some time ago, before I was elected to this Legislature, driving through Toledo. They had holes there that would swallow up a small car. You had to hold on for dear life because your dentures would have shook right out of your mouth with these huge potholes. I must say that as you carry on, Cincinnati is the same way; it is even worse for potholes. This all comes down to the fact of gasoline and gasoline tax and that is what I am speaking to in this bill today. I am not aware of any highways in Ontario with holes so big they damage the front end of your car like there are in the United States.

The member for Ottawa-Rideau linked cross-border shopping with gasoline prices, and that is absolutely ridiculous. People do not cross-border shop to buy gasoline. They buy gasoline when they get there but they do not go there to buy gasoline. The reason the people cross-border shop—the member for Essex South is waving his hands and shaking his head—is that they are so fed up with the GST. They have such an aversion to paying it that they spend money to avoid paying the GST to Ottawa. That is a fact. I have talked to many of my constituents and I say, “When you cross-border shop, why do you do this?” They say: “We can’t bear to let Mulroney get money. We’ll spend more, but he won’t get it.” The member has it wrong when she says people go cross-border shopping for gasoline.

During the debate the members, in their usual self-righteous manner, ask for impact studies before the gasoline taxes are raised. There are a lot of people. What about the impact studies? They ask for a study of a graduated gas tax system. Where were they in 1985 when the Liberal government increased gasoline taxes to go along with vehicle registration fees and drivers’ licences? Where were they in 1988 when they again increased gasoline taxes? Where were they in 1989 when the government introduced propane tax on friendly environmental vehicles? Where were they when the government increased vehicle registration fees and licence fees yet again? Where were their impact studies? I do not hear anything.

Where were they when they increased the retail sales tax used to transport the disabled? Before they did that, did any of those people demand impact studies to be carried out? Did they ask for any studies on graduated tax systems? Of course they did not. Yet they did this when the coffers of the Ontario revenue were so full from retail sales tax that

they had an unprecedented amount of money in there. The member for Ottawa East knows; he was Minister of Revenue. He is laughing. They had so much money they did not know what to do with it yet still they—

Mr Mancini: On a point of order, Mr Speaker: I do not take tax measures lightly. I was not laughing and I want the honourable member to withdraw those remarks. The honourable member referred to me as laughing about a tax measure. I want the honourable member to clarify the record immediately.

Mr Mills: I realize the sensitivity of the member for Essex South but I was looking at my former boss, the member for Ottawa East, who was the Minister of Revenue, and he was laughing.

Mr Mancini: I want the record to be clear on what the honourable member has said.

The Acting Speaker (Mr Villeneuve): The honourable member for Essex South has made his point. The honourable member for Durham East has the floor.

Mr Mancini: The member who was on his feet a moment ago accused me of laughing at a tax measure. That is incorrect, untrue and I want the honourable member to correct the record, or it is going to be very difficult to continue.

The Acting Speaker (Mr Villeneuve): A point of order has been made. The Chair really cannot force anyone to withdraw in a situation like this. The honourable member for Durham East has the floor. He heard the point of order. Please continue.

Mr Mills: I certainly never mentioned the member for Essex South. I mentioned the member for Ottawa East who, I know, is the previous Minister of Revenue. He knows that we have a personal joke about that.

Anyway, having cleared that up, I want to turn my attention in this debate on Bill 86 to the member for Etobicoke West. When we were debating this, the member said: “You people over there haven’t got the intestinal fortitude to vote for anything. The only person who votes against the government is the member for whatever, down there. You people stand there and you jump up and you act like seals. You can’t do anything for yourself.”

Mr Stockwell: I never said that.

Mr Mills: Yes, you did. I made a note of this. So I took the trouble to look back to something my Conservative predecessor in Durham East said in this House. I am going to quote from Hansard what he said in 1985: “Back in those days we had the god-emperor running everything here. He ran it with a tight fist. It was his show. No one dared step out of line, not one bit. When I was Deputy Speaker I called him to order from time to time”—he is speaking about the former Premier, Mr Davis—“and that was the end of my political career. It was a lesson well learned, I might add.”

I say to the members opposite, if they are ever lucky enough to form the government again, god-emperor Harris or his successor would again be running the show with a tight fist, daring anyone to step out of line. So in their high,

almighty position, they say we cannot do anything. They are the same.

The member for Ottawa-Carleton is not here. He spoke, when he was here, in this debate so lovingly of the Conservative government when he reminisced about those days of luring business to Ontario through cheap gasoline, but the members' mind must still be attached to the past. We have had a war in Iran, which has seen crude oil jump from less than \$8 a barrel—

Mr Stockwell: On a point of order, Mr Speaker: I do not believe the government has 20 members in here. I do not believe there is a quorum.

The Acting Speaker (Mr Villeneuve) ordered the bells rung.

1809

Mr Mills: I will continue. I will just go on to say that, unfortunately, we live in a different world today than the world the honourable member for Ottawa-Carleton so likes to go back to. We live in a different set of circumstances altogether.

I would like to touch on some of the comments made on the effect of this gasoline tax. People over there have spoken about how it is driving business away and people are lining up to get their green card and businesses are going all kind of crackers to get across to the United States. I would like to say, in reference to Bill 86, that despite all our so-called draconian madness, Ontario remains a great place of business. Business is not lining up to go to the US. In terms of foreign investment, and I am quoting from Investment Canada data, over the past year 58.6% of all foreign investment came from the US to Ontario and 54.3% of all foreign investment in Canada came to Ontario too.

It costs less to live in Ottawa, Hamilton, Kitchener-Waterloo and Windsor than it does in Buffalo and Cleveland. It costs less to live in Toronto than it does in New York or Boston. That is from Investment Canada last week.

The opposition, both parties, continue on a daily basis to paint a picture of doom and gloom for Ontario, and they continue to do that with the introduction of Bill 86 and the gasoline tax increase. Yet in 1986—I see the member is leaving; he cannot take the truth—Canada's quality of life marked sixth out of 160 nations. In 1990 Canada moved up and was ranked second out of 160 nations. The gloom and doom spread by the opposition is harmful to all Ontarians and is absolutely disgraceful. It is disgraceful.

In Ontario the life expectancy of the population is 75.5 years. Murder is 2.5 people per 100,000 population. In New York, the wonderful place where all the business is going, where the member says they are piling up to leave Ontario to go to, the life expectancy is 73 years, two years less, and the murder rate is 12.5 persons per 100,000. So much for that wonderland he keeps talking about.

I have a few more statistics to put forth. Household incomes in 1990, within 40 miles of Toronto, are as great as or greater than they are in Cleveland, Detroit, Boston and New York. Ontario's infrastructure, as compared among 24 industrialized nations, shows us in second position as far as roads go, to the United States' seventh position. Cheap power? They keep talking about brownouts and all

this happening. In Ontario we are first out of 24 industrialized nations, whereas the US is eighth.

I do not see really much reason why they keep saying business is taking off to the green hills of the United States. It is nothing more than fearmongering, as my colleague the member for Chatham-Kent has echoed.

As we talk to Bill 86 and this so-called phantom exodus to the United States, Ontario relies more on corporate income taxes and less on other taxes of business inputs compared with other jurisdictions—and I see the member is actually going; he cannot take it any longer. As a result, Ontario's tax system is generally more sensitive to a firm's level of profitability. In my opinion, and that of my colleagues, Ontario is a pretty good place to live in and a pretty good place to do business in despite all the gloom and doom we are hearing from over there.

I would like to turn back to the gasoline taxes and some comments the member for Carleton made when he spoke so lovingly of the Conservative government increasing gasoline taxes about nine times over a period of two or three years. That is absolutely not right. He says the nine bites were to allow industry to readjust to the increases in taxation. What a way. You increase taxes in nine bites so that industry can adjust to the bites little by little.

I am sad to report that the member for Carleton had a very convenient lapse of memory, because we know and the Speaker knows that the Conservative government, when they were in power, added their terrible ad valorem tax. Every three months they pumped up the tax, and the former Minister of Revenue sitting in his place over there had the courage, when he was appointed to be the minister, to cut that tax off as really a diabolical tax that the people could not suffer for. I applaud the member for doing that. That was a wonderful move.

It does not take too much imagination to understand why the god-emperors across the way were tossed out of office way back in 1985. We are talking about Bill 86 and taxes and tax increases to the population of Ontario. I still remember when Frank Miller was the Treasurer. I sat here this morning at the induction of the new Lieutenant-Governor. I looked down and I saw Frank there. I remembered that fellow so well. When he was the Treasurer of Ontario we could have helped everybody in Ontario by taking down the retail sales tax by a point. Everybody would have benefited for it. But what did he do? He took it off cars. Who buys cars? He was a car dealer. It helped the car dealers, no doubt, but it only helped a certain level of the population that could afford to buy new cars. It did not apply to all the people all over Ontario. I still remember that.

I have heard all these other speakers talk about the bill and how draconian it is and how awful it is and what it is doing to industry and how people are leaving for the United States by the boatload. I thought to myself that they have not really addressed an important part of this bill. That is what I am going to address here now. That is the administrative revisions to this bill.

This bill implements a system of mandatory registration of importers, exporters and extrajurisdictional transporters of gasoline, aviation fuel and propane in bulk. This system has been initiated as a measure to counter the evasion of

tax imposed under the act. That is a very important part of this bill, yet I have not heard any member speak to that yet. Maybe they do not understand it or maybe they did not think it was really worthwhile to make any political hay about, but I think it is very well worth it.

A constant problem with the Gasoline Tax Act over the years—the former minister sitting there, the member for Ottawa East, will well know this—has been people's cheating. They cheat in such unrealistic ways that it boggles the mind. I spoke before of the diesel tax. They are here and there, they start up here, they are a numbered company this week, a numbered company that week, some other company that week, and they kept vanishing off the face of Ontario. This is a real problem. It has cost everyone in Ontario so many millions of dollars that it is almost frightening to think about it.

I remember that a lot of this gasoline used to be sold all over Ontario. It was imported from the United States. It was imported also by the boatload—the amount of tax there is absolutely astronomical—from Europe. All this gasoline was dispersed throughout Ontario in many different ways. It went out in trucks. It went to service stations, it went to contractors, it went all over the place.

Some of that gasoline ended up in an environment whereby the people could claim back the tax on it. This was adding insult to injury. They did not pay the tax on it in the first place, yet they had the audacity to fill in a form to claim the tax back.

I remember going out there to do an audit on their books and having a chat with a lot of these people who had claimed for the tax back, and I would say to them, "Let me see your invoices for the gasoline first." We had a process that we used to follow. "Let me see your invoices so that I can come to grips with what your rebate is." They push out all these different invoices and they would have on the top, like, Smokey Joe's Gasoline Co or something, obviously a phoney.

I would say to them, "Your invoice here does not reflect that you paid any tax on this." They would look at me in absolute amazement and they would say, "But the tax is included." I would say, "You expect me to believe that in the price you paid for this gasoline the tax was included?" "Oh, yes, the tax is included." I said, "How do you know?" They said, "Because these people told us it was." These crooks told them it was. Can members believe this?

It really riles me a little bit and I have heard it all over about people who are cheating on welfare. There are over a million people in Ontario now who are on welfare and many of those people are really down and out and suffering. They have turned to this government for the last help they can see. It rather annoys me when I hear, especially in small-town Ontario, so many people just blindly saying, "Well, half of the people on welfare are cheating and they should be doing this, they should be shovelling snow, they should be working. Why don't you get them off their backsides and get them going?" And all this sort of nonsense.

Here we have the so-called entrepreneurs of Ontario, the business people, the reputable business people who were cheating on their taxes. That was all right. That is

supposed to be all right in the eyes of the entrepreneur society. That is fine. But the poor little person—

Mr Turnbull: It shows the inspectors were lousy; they weren't doing their job.

The Acting Speaker (Mr Farnan): Order.

Mr Mills: This member is absolutely outrageous in his outbursts and I wish he would be quiet because I do not interrupt him when he talks. He has no manners or decorum.

The Acting Speaker (Mr Farnan): The member for York Mills adds absolutely nothing to this debate by the type of interjection. Please remain quiet and allow the member for Durham East to have the floor.

Mr Mills: I can see that I am getting under some of their skin because when we talk about entrepreneurs and business, it is all right for that segment of society to cheat like old dickens. It gets under their skin and they have to keep yapping and going on about it.

Mr Turnbull: You don't like it. You didn't do your job.

The Acting Speaker (Mr Farnan): Order. The member will be seated. The member for York Mills is stretching my patience. I would ask him to co-operate with the good order of the House.

Mr Mills: I will move along because I do not really mean to stand here and agitate people. That is not my nature. What I am here to do is speak in favour of Bill 86. We as a government have to somehow—and goodness knows, it is difficult enough—come to grips with the revenues that we are—

Mr Turnbull: On a point of order, Mr Speaker: I do not believe a quorum is present.

The Acting Speaker ordered the bells rung.

1825

Mr Mills: I am always encouraged when the member for York Mills gets so wound up because I know I am touching some very sensitive nerves about the cheating that we did see in Ontario in so far as the use of gasoline by, as I said previously, the entrepreneurs.

Mr Speaker, I, like you in your riding, cannot really stomach too many more tax increases, but the point I am trying to make is that we have an appetite out there of our constituents who demand so many things. I go back to that inaugural meeting of the region of Durham when I had the opportunity to speak to so many mayors, how they spoke to me of the things they wanted done in their municipalities. How on earth we can ever hope to do even a small portion of those things without increasing taxes, I do not know. It does gall me considerably to have the members of both the official opposition and the third party so self-righteously keep on giving it to us about increasing the gasoline tax when the point is that when they were in office, when they had unlimited funds, they continued to put the tax up almost on a continual basis.

I am going to close out my remarks to allow some of my colleagues to speak to this bill. I am going to close it out on a high note. We have heard and we continue to hear as recently as yesterday about the firms and the lack of investment in Ontario.

These figures are not mine. These announcements are not mine. These announcements are from Statistics Canada, and I am just going to read some of them out as I close.

Last year the Ford Motor Co of Canada had a \$500-million painting plant in Oakville. That represented the largest new automotive project, not in Ontario or in Canada but in the entire world in 1990. In January, Digital Equipment of Canada in Kanata—and the member is not here now—was selected as the facility where a new computer would be built for all world markets except Europe. 3M Canada has invested \$50 million to expand or upgrade in Ontario its operations—\$12 million for the London plant, \$30 million for a new plant in Brockville, and \$5.6 million in the small community of Havelock. In May, Chrysler Canada announced it was going to introduce a new car model in its Bramalea plant, leading to the creation of 1,000 new jobs, and planned to add another shift to its Windsor plant, creating 1,400 extra jobs. Finally, in August, GE Silicones, a subsidiary of General Electric Canada, officially opened a new \$20-million plant in Pickering. This plant has GE's global product mandate for a wide range of silicone adhesives and sealants.

Does this seem to members the picture of gloom, the picture of doom to the Ontario that we are destroying by adding to the gasoline tax? I ask members, does this look to them to be gloom, doom, and the dire straits that Ontario is running into, according to the members of the official opposition and the third party? I do not think so, and I think neither do the majority of the residents of this great province of Ontario. With that, I conclude my remarks and thank members very much.

Mr McLean: I want to comment briefly on the remarks made by the member, but I want to draw to his attention that for many years here in this Legislature when his party was in opposition or the third party, its members were always talking about the north and how they wanted to level the services across the north. The member tonight has not spoken about that very subject that was so dear to their hearts so many years ago.

They wanted the same price in Cambridge as there was in Thunder Bay. They wanted it the same across the province. But did we hear the member speaking about that very subject here? No, we did not. Did the Minister of Revenue, when she brought in her bill, address that very subject for making the same level of cost across the province? No, she did not. The increase that has been put on has been tremendous when you look at what we used to have, eight cents a gallon, and the increase that has gone on in the last year. When I look at the net increase in the 1991 budget, it is up to \$410 million. That is the extra revenue that is being taken in with regard to this very gas tax we are talking about.

When the member is speaking about this very budgetary item, Bill 86, the gasoline tax, he is not giving the people all the facts. He is not telling them about what his party wanted to do when in opposition: how it wanted to level the playing field across the province and make sure that the people in Thunder Bay were paying the same price as people here. But what has he done? The minister has increased gasoline three cents per litre right across the province.

There is a tremendous difference. I say he should go back and look at his notes to see where the real increase is.

1830

Mr O'Connor: I want to comment after listening to my colleague the member for Durham East, another fellow member from Durham, speak about all the fine things that are happening right now. It seems strange we cannot open the paper and see it. It should be right across the front pages. Last year Canada was number two out of 160 countries in the world to live. That is terrific. That should be front page news. I am glad the member raised that. It is incredible. We have an awful lot of good things we should be highlighting, and the member has done it so eloquently. It is just astounding.

It is possible in this Legislature that instead of always being so negative we could take the high road once in a while and praise each other when we are doing something that is important. There is a lot of investment. The member for Durham East spelled out some of the investment, like \$500 million for a new paint plant in Oakville for Ford Motor Co. That is a terrific amount of money. It is a huge investment. It is an investment in the future of Canadian and Ontarian workers. It is terrific. And the 3M expansion he talked about is just wonderful.

There is a lot of good news out there. Unfortunately, it does not seem to make the front page. I guess the tabloids cannot sell papers on the good news all the time. If there is a little bit of controversy they like to put that on the front page. That is too bad because there is an awful lot we need to be proud of.

The time for members' statements in this House seems to highlight some of the best parts we recognize in our ridings, and we try to share that with all the members and everybody who watches us on TV. It is kind of terrific. I think we should try to do that a little more often. The member for Durham East elevates the debate in the House to such a high road. I want to compliment him on it and thank him.

Mr Bradley: I want to comment on my friend the member for Durham East's reference to the former Treasurer and former Minister of Health of Ontario, Frank Miller, because it reminded me of the policies of the Frank Miller administration in terms of health.

Members may recall the television show *The Time Tunnel*. They could go to any particular time, either forward or backward.

Interjection.

Mr Bradley: I am watching the reruns. That is why I knew it.

If I think back to the time of Frank Miller wanting to close hospital beds, perhaps wanting to close whole hospitals and wanting to rationalize the health care service, if the time tunnel sent me through a warp and I came back into 1991, I would think I must be living in Frank Miller's era because I am hearing the same policies coming from the government today that I heard in those days. In other words, let's shrink the number of beds in the hospitals, let's rationalize the service, let's see where we can cut back, let's see where we can put in some costs that people

will have to pay themselves. That is why I love the reference my friend the member for Durham East made to that.

The other was his reference to the fact that it would have been nice to see one cent taken off the sales tax. It seems to me I recall somebody proposing that in the summer of 1990 and that being ridiculed by a person who now sits in the Premier's chair. How time changes things. I agree with the member if he is advocating a cut of one cent in the sales tax to spur on sales. I would support that, and I only hope he can persuade the Treasurer of the same thing.

Mr Turnbull: It is absolutely astounding that a member of the NDP, today of all days, gets up in this House and suggests there is some sort of connection between the Conservative Party and the fact that people are smuggling gasoline, impugning entrepreneurs. The member for Durham East said over and over again that somehow it was entrepreneurs. I suggest to him it was smugglers who, when he was a civil servant charged with collecting provincial gas tax, he did not catch: the people he is talking about. It was his enforcement he was not good enough at.

As for the suggestion that we would reduce the civil service, he is absolutely right, we would, in the same way we reduced the civil service in the last 10 years the Conservatives were in power. We reduced the civil service by 5,000 people. We did not do it by cutting and slashing; we did it by attrition. We made the civil service lean and effective. Unfortunately, during the following five years the Liberals added back not just the 5,000 we had cut but in addition to it another 4,000. The people of Ontario have on their backs not only the 9,000 civil servants the Liberals added but the thousands the NDP has now added.

Further, this NDP is a party that promised us it was going to reduce the price of gasoline in the north and that it was responsive to the concerns of the north. They have not done it. They have not delivered on it. They have increased the taxes to everybody, including the north. I think this is a party with a very bad record, and now the suggestion of pointing blame at entrepreneurs. People who live in glass houses should not throw stones.

Mr Mills: First of all, I would like to thank every member for participating and answering some of the things I said. I would like to say a particular thanks to the member for Simcoe East, whom I have known for many years, and despite differences in political stripe we are and have been very good friends. I welcome his suggestion about the northern gasoline prices. Believe me, I have a great deal of empathy with that myself. However, the facts of life are what they are.

As far as the member for York Mills is concerned, it is absolutely scandalous for him to stand in his place and suggest they cut the civil service when they were in power when in fact—they know it—they contracted the work out. It cost more, but it did not show up. You can cut civil servants adrift right and left; that shows up. But it does not show up when you contract the work out.

Interjections.

The Acting Speaker (Mr Farnan): Order.

Mr Mills: It is after suppertime. I hope there are a number of civil servants in Ontario watching this debate

and recognizing that their future, if they ever support the Conservative Party, is very dim indeed because contrary to what their member says it would slash and cut. Those people would take the brunt of that.

In the closing 30 seconds I want to say that the member also referred to the fact that these people were not entrepreneurs, they were smugglers. All I can say is that they were pretty well dressed for smugglers and had some pretty swank offices. I remember going in one office and the guy said to me, "Come back in an hour and I will have all the books." He had a mahogany desk and everything. I got back there in an hour and the only thing left was the telephone on the floor. So much for the well-dressed smugglers.

The Acting Speaker (Mr Farnan): In recognizing the member for Ottawa East, I do want to say to members in the House there is some good-natured ribbing going on, but when it becomes too frequent it interferes with the quality of the debate and I would ask the co-operation of all members on all sides of the House.

1840

Mr Grandmaître: I must say, I listened to the member for Durham East with great interest. I can recall when the member for Durham East was an employee of the Ministry of Revenue and a very good employee, mind you. I can say this without having access to his file: He was a very good employee. But I simply do not agree with some of his comments, for the simple reason that members opposite can blame the Tories, they can blame the Liberals, but now they are the government. They are the decision-makers in the province of Ontario and they have been for the last 14 months. We have not seen great success since they have taken over this responsibility.

In addressing Bill 86, I would like to say that the only good section of this bill, as pointed out by my friend the member for Durham East, is the mandatory registration for importers and exporters. I am not going to argue about whether they were smugglers or entrepreneurs or whatever. The fact was, people were getting away with murder. They were not paying their fair share of taxation.

Hon Ms Lankin: Figuratively.

Mr Grandmaître: Absolutely. My first question to the minister is, how many new tax collectors have been appointed in the last 14 months? I know she is getting all her facts in another briefing at the back. I would like to get an answer, because at one time I can remember in the ministry there was a lack of tax collectors. In my days as the Minister of Revenue, we did increase the number of tax collectors, but I thought we could have done a better job. At the same time, I think nobody likes to pay additional taxes, not even on tobacco, gasoline or liquor. Nobody likes to pay taxes. It is the timing of the tax increase I do not agree with.

Only a few days ago we were addressing Bill 85 and we were ruining the truckers of this province, who paraded around Queen's Park telling us that another fuel tax increase would kill their business. Again, bad timing for this government, which chose to fight the recession; never mind the deficit. I am not saying this out of context; I am simply repeating what the Treasurer and the Premier of this province have said: "We have chosen to fight the recession."

I would like to remind the government that it is bad timing. People need their cars, their trucks, they need to fly—aviation fuel has gone up. I do not know how often members fly, but I fly twice a week back home to Ottawa and I can tell them it costs \$425. These fares are increasing every third or fourth month. I think it is very unfair. We are talking about tourism and I do not think that by increasing the gas tax that we are encouraging people to travel to Ontario.

The members have heard their own Minister of Tourism and Recreation saying some months ago how tourism was affected in Ontario because of our gas prices. I do not agree with the member for Durham East, who says people do not cross the bridge or go to the States to buy cheap gas—they do—and to buy cigarettes. Now the latest vogue is to buy groceries. People do cross the bridge regularly, weekly, to buy less expensive and the very same quality of groceries.

This government is strapped. Everybody who stands in this House says the government is losing revenue. I believe the minister that our revenues are falling every day, every week, every month.

On April 29, when the Treasurer introduced his budget and added on 11 different taxes, I thought it was unreasonable, but at the same time he needed that extra \$1 billion. That is the total accumulation of those 11 different taxes. I hope we are still faced with the same deficit of \$9.7 billion. Some say it could be close to \$11 billion or \$12 billion. Let's hope the government will respect that engagement of \$9.7 billion.

On April 29, by increasing the gasoline price by 1.7 cents a litre, I thought the government would think twice about adding another tax on January 1. I know members from the government caucus have asked the Treasurer to reconsider the next increase. The member for Bruce did ask the Treasurer and the Premier to reconsider the next tax, but to no avail.

I realize and I agree with the member for Durham East that we do need revenues if we expect to have first-quality education and social services. I agree that we need money, but I think we are digging in the wrong pockets. That is the problem with gas increases.

I would like to talk about gas prices in my own area of Ottawa-Carleton. I think that in the last four months the Ottawa Citizen has done a great job of keeping track of or surveying the gas prices in the Ottawa-Carleton area. When we look at the gas prices paid in the Ottawa-Carleton area as compared to southern Ontario—let's say Toronto—it is a crime. People in Ottawa-Carleton are paying a dear price, and why is that?

I am asking the minister to look into it. I think these people are taking advantage of maybe a soft market in the Ottawa-Carleton area. Maybe they are taking advantage of people working for the federal government having a steady job, a guaranteed job for life now. Maybe they are taking advantage of us. I am very serious when I do implore the minister to conduct our own survey. Do not create a commission, but keep track of gas prices in the Ottawa-Carleton area. I know we tried to get the citizens to boycott the major oil companies but it did not work out, and I would like the minister to look into this.

1850

In the last six years I can recall that every time we would introduce a gas price increase or impose a tax or increase the tax on gasoline, the now Treasurer was the first one to stand on his feet and say: "Mr Minister, this is the wrong way to go about it. You are punishing northern Ontarians and I want you to investigate. We are paying dearly. We have to travel farther distances than you people in eastern Ontario and southern Ontario." It was the best-selling record I have heard in years.

Now that they are in power, what they preached for years and years they do not want to put in practice. Why? Do not tell me it is because they need more revenue.

Mr Fletcher: We had a surplus.

Mr Grandmaitre: Let's talk about a surplus. The member for Durham East was saying that when the Liberals were in power and I was the Minister of Revenue our coffers were full with dollars. I want to remind the members of this government that we balanced the budget.

An hon member: Balanced?

Mr Grandmaitre: We balanced the budget in 1988-89. The member would not remember. He was not around.

The Acting Speaker (Mr Farnan): Order, please.

Mr Grandmaitre: I just want to remind the—

The Acting Speaker (Mr Farnan): I ask the member to direct his comments to the Chair, please.

Mr Grandmaitre: Where will he direct his comments?

The Acting Speaker (Mr Farnan): The member makes a good point. The interjections are unwelcome. I ask that the member direct his comments to the Chair.

Mr Grandmaitre: I have tried and I think I have done well up to now.

I would like the minister to look into the price fixing in the Ottawa-Carleton area. I am not accusing anybody, but I think it should be looked into. It is very serious.

Small businesses will be affected by this gasoline increase. Some of them, I am sure, will go out of business for the simple reason that they cannot afford this extra tax.

Again, I say it is bad timing. Now is the time to really help the small business people, and I am talking about small trucks, cars, deliveries and so on and so forth. I thought it was an excellent opportunity to protect these small businesses and prevent people from crossing the bridge and buying groceries and cheap gas and cheap cigarettes.

Another member mentioned that whenever we pick up the newspapers in the morning we are talking about gloom and doom. I do not think it is gloom and doom. We are talking about realities, things that are happening in our province, and we are questioning the priorities of this government. We realize they are going through some tough times. We realize this and we are trying, at least my party is trying to help the government introduce programs that will help the small businessman and families. We realize this.

I think we have to sit back and take a long look at where this government is leading this province, leading 10 million people, and right now with no leadership—

Mr Jordan: On a point of order, Mr Speaker: This is a very important bill and a very important discussion and I do not believe there is a quorum here of members.

Clerk Assistant and Clerk of Committees: A quorum is not present.

The Acting Speaker (Mr Farnan) ordered the bells rung.
1855

Mr Grandmaitre: I want to emphasize the fact that the people in Ottawa-Carleton are paying dearly for gasoline and there must be a reason behind the cost of gasoline in eastern Ontario. I would like to remind the minister to survey Ottawa-Carleton very closely. For 23 of the last 24 weeks the people in Ottawa-Carleton were second in Ontario when it came to gas prices. Only Timmins was paying more for gasoline.

This government has to take a serious look at its priorities, including increasing gas prices and introducing more taxes. They have to be much more reasonable, look at their priorities and introduce programs that will help this province and help the economy to gain back its confidence. Right now I do not think the people, not only in Ottawa-Carleton but right across this province, have confidence, not only in this government but at every level. We have to turn this around and tell people that Ontario, the once-mighty province, is still a good place to live and a good place to do business.

I have in my hand a report from the Petroleum Communication Foundation. I would like to indicate to you the differences in provincial taxes in Canada. In British Columbia the tax is 11.8%, in Alberta, 9%, Saskatchewan, 10%, Manitoba, 10.5%, Ontario, 13%, New Brunswick, 12.7%, Nova Scotia, 12.3%. I can go on. Only Quebec has higher taxation, and that is around 18.9%.

With the natural resources of this province, we can do a better job when it comes to taxing our natural resources. People who are looking for jobs, applying for jobs, having to travel for jobs out of their own community—maybe it is only 25, 30, 40 or 60 kilometres; they still need their car—are finding this new tax is not the answer to their worries.

1900

I did say 15 minutes and I am beyond my 15 minutes; I know more people would like to address the bill.

Since this government has been in power increasing the gas tax by 30% is unreasonable. I ask the Minister of Revenue to meet more often with the Treasurer to make him realize that revenues are not coming in and that we are not attracting new business by increasing tobacco, liquor, gasoline, aviation fuel, propane gas.

The member for Durham East was fingering me for introducing the tax on propane fuel. The Treasurer had a golden opportunity on April 29 to abolish that tax. If they really did not like it, they could have abolished that tax and reintroduced it in another, fuzzier way, as they have tried to do for the last 14 or 15 months.

I think the priorities of this government are wrong. I think the people of Ontario are looking for guidance. They are looking to this government to guide them to better things in Ontario. With the predictions given to us by the Treasurer only 48 hours ago, I think the people of this

province are dead serious. I would not be surprised if the people of this province were not only parading in front or demonstrating in front of Queen's Park; I am warning this House that people will be walking the streets in Ontario, objecting to taxation.

In conclusion, I would like to say that this party is willing to work with the government to improve—not improve taxation; one cannot improve taxation—the quality of life in this province. Adding 30% to the gas price, I think, is unreasonable.

Mr Tilson: The member for Ottawa East spent many of his remarks on the issue of the deficit of this province and how this bill is contributing to the deficit of this province. There is no question that in the view of most of the people of this province what this government intends to do is spend and then tax. It is like shooting first and asking questions later.

The member for Durham East said: "How are we going to do all this? How are we going to implement these programs?" I think the real answer to what this government is doing is that it is taxing first. It is not analysing what the effects of these various tax bills are having on the economy of this province, on the bankruptcies in this province, the loss of business in this province, the businesses that are moving out of this province. They have not analysed that.

I think the member for Durham East put his finger right on it: They do not care; it is a tax grab. They are determined to implement their policies and they do not care how they do it. They are going to tax, and that is that. That is their philosophy. They have not looked at the transportation industry and the effect on the transportation industry. They have not looked at the effect on the tourism industry. They certainly have not looked at the effect on the retail industry or the cross-border shopping issue. They certainly have not looked at manufacturing.

The deficit has tripled to \$9.7 billion. My guess is that it is substantially more at this particular stage. It has increased by 219%, an astounding effort put forward by this government. This is the largest deficit this province has ever seen, I think, the largest provincial deficit in Canadian history. This bill is a major contribution towards the deficit and should be voted against.

Interjection.

The Acting Speaker (Mr Farnan): I would remind the member for Durham East that he is not in his chair.

Mr Turnbull: I am particularly pleased to be rising to speak on this bill, this great tax grab that the NDP has foisted upon us. I want to point out that taxes comprise the largest single segment of gasoline prices. This is just another tax grab by this government, which has spending completely out of control. Let's just talk about the effect on drivers.

Gasoline has been viewed by this government and, I regret to say, previous governments of all stripes, as a cash cow. It has been lumped together with sin taxes. But there is a vital difference between gasoline taxes and taxes on cigarettes and on alcohol, and the vital difference is that this is not a luxury for a lot of people. People who have to drive to work, people who live in northern communities,

women who leave work late at night need a car to be able to get around for safety reasons, salesmen, seniors and the handicapped all need automobiles.

What we are doing is bringing in a punitive and very regressive tax. It is quite clear that what we do is hit the least able in society when we bring in this kind of taxation. I find it absolutely bizarre that it should be brought in at the level that it is being brought in—1.7 cents when the budget went through, bringing our provincial tax up to 13 cents on gasoline, and by another 1.7 cents effective January 1, which will bring our gas taxes in the province up to 14.7 cents.

Taxes are the largest single component of gas prices at the pump. When we are filling our tank with gas we should all be very aware that most of the money is not going to gas companies; it is not going to the workers; it is going into the general revenue fund of the government. This particular party, the New Democratic Party, which is bringing forward this at this time, is the very party where I remember that the now Premier and the now Treasurer always used to rile against taxes on gasoline. They used to say it was regressive.

We know that the New Democratic Party is finding some different realities in government, and we understand that they are learning. A rather amusing cartoon I saw recently was a picture of an airliner. The pilot is speaking to all of the passengers and saying: "Please bear with me. It will take a little while until I learn to fly." I think the taxpayers, the voters of Ontario, should expect better from a party which knew all of the answers in opposition. Now suddenly it is doing all of these evil things but in more significant numbers than the two previous governments, the Conservative and the Liberal governments, did.

They are hitting the people of northern Ontario. I have heard the Treasurer when he was in opposition talking in a very spirited way about the need to help the people of northern Ontario. Typically they do not have any transit. The only way they can move around is by automobile or by aeroplane. Not only does this fuel tax increase hit cars but aviation fuel is also increased by this tax at a time when private airlines are having great difficulties and at the very time that the Ontario government under the NDP is expanding service in competition with the private sector and taking away jobs from the private sector.

I find it absolutely bizarre that they would be doing this at a time of restraint. We all know what the historical background of the NDP was. They always favoured huge governments who did everything for everybody and that they were against private industry. We know that. But it is quite strange that when the government is learning this new reality, a reality which I may say they recognized in this fraudulent document called *An Agenda for People*, which I have christened by many other names—but at the beginning of page 2, under "Ontario at Work," it says, "Ontario is now in a recession."

It was not a revelation when they got elected that Ontario was in recession. It was known by them it was in recession. Indeed, it was known by the previous Liberal government they were going into a severe recession. That is why they hurried up the process of having an election:

so they could try to get elected again before the bad news came out.

It is not good enough. The Treasurer, who said we would be hurting the people of the north by increasing the taxes, is the very person grabbing and sucking taxes out of the people who live in northern Ontario. It is all dressed up in environmental language. The reason the Treasurer gives is that it is to encourage the purchase of more environmentally responsible equipment: cars, and as we saw with the fuel tax increase, trucks.

1910

I fail to see how putting tax on fuel addresses the problem. The problem, we know very well, is that half of the pollution from automobile exhausts comes from just 10% of the vehicles on the road because they are improperly maintained and tuned. If we really want, and I certainly do, to make sure we are environmentally conscious—I notice the Minister of the Environment is in the House and I would encourage her to speak to the Treasurer—the way to do this is to somehow address the tax against that 10% of automobiles that are causing half of the pollution. Putting massive taxes on gasoline and sucking money out of the taxpayers' pockets does not give them the ability to buy new cars, which generates work for Ontario workers because we know the bulk of automobiles built in Canada are built in Ontario.

Let's not try to fool the voters with some silly talk about the fact that this is for environmental reasons. This is a tax grab, plain and simple. Not one member opposite should for one minute miss that point. They are grabbing taxes.

Interjection.

Mr Turnbull: The target group they have is everybody who drives an automobile.

Interjection.

Mr Turnbull: Higher taxes have the opposite effect from encouraging drivers—

Interjection.

The Acting Speaker (Mr Farnan): Order, please. The member for Scarborough Centre, since you have entered the House you have continually interjected. I would appreciate your co-operation.

Mr Turnbull: The gas tax simply means raising revenues. The government is deceiving the public if it tries to suggest there is any other motivation, as indeed it deceived the public on such items in—remember this wonderful document—*An Agenda for People*. They deceived the public on restoring education funding. "The Liberals like to talk about international competitiveness and preparing for the next century. Yet they've broken their promise of 60% funding for elementary and secondary schools." Gee, I wonder what the government did with its promise.

"Ontario is now in a recession...we propose offering reduced interest rate loans to three critical areas of Ontario's economy at no cost to the taxpayer." I have not seen any bill in the year and a half this government has been here to reduce the interest rates for the public: another set of fraudulent claims.

"Ontario's Communities: Rights to a Clean Environment" goes right back to this whole guise of environmentally cladding a gas tax grab. This Agenda for People, as I say, I have called a lot of other things. I do not think it was an agenda for people; I think it was an agenda for power. It says, "Pass the environmental bill of rights immediately," Ruth. What is "immediately"? A year and a half later we have not seen it, yet the government is bringing in bills guised as being for the Toronto area, which affect the whole of the province. We see what an NDP set of promises means.

"Building a Stronger Northern Ontario" is one of my favourites. "We propose a northern fund of \$400 million over two years." What happened to it?

"Four-laning the Trans-Canada" Highway: Once again we get back to the whole transportation issue. It says they would commit to spend \$100 million a year in estimates for northern affairs. I asked how much the government had spent on four-laning the Trans-Canada Highway. They said \$3.5 million, but they said it very quietly and I had to drag it out of them. That is 3.5% of the promise that was contained in this document.

Now we know there is no promise this government is not prepared to break. Indeed, we have heard the member for Durham East suggesting it was entrepreneurs who were cheating the taxpayer. I said in my comments to him that it was not entrepreneurs; it was the crooks and the pilots he was charged with policing. If he did not do a good enough job, I am sorry. He should not blame the Conservatives. He should blame the people who were not doing the job.

Let's just look at this. We have this gas tax which is cloaked in the garb of an environmental bill and somehow we are going to affect the environment with it. It reminds me of the Liberal tire tax. Remember the \$5 per tire and it was going to create a fund which was going to regenerate tires? The Liberals were going to recycle them. Of the \$100 million that has been collected to date, there has been \$17 million spent on scrap tire projects.

I am struck by a statement the member for York South made when he was in opposition before he became Premier. He said what was dishonest about what the Liberals did was they used the environment as an excuse to raise the tax and then failed to deal with the environmental problem. Gosh, that seems to have a ring of similarity. Do members notice the similarity between what the member for York South said was dishonest about what the Liberals did and what this government is doing in the name of the environment? They are raising taxes and picking the taxpayers' pockets.

Turning to the whole question of cross-border shopping, we know the provincial government always blames the federal government for everything. Indeed, in this House I have heard the federal government blamed on several occasions for the fact that people are crossing the border to shop. It is very interesting when we look at the proportion of provincial gas taxes that is sending them over the border. A large accounting company did a survey on the major reasons people cross-border shop. I am sure members know these numbers, but for the people watching I will point out that the major reasons were gasoline, cigarettes, alcohol, beer and then groceries. They tended to buy

groceries because they were over there, and then they find that milk is cheaper and things like that. We know it is cheaper.

The difference between cigarettes and alcohol and gas is that cigarettes and alcohol are in this funny grey area; we put sin taxes on them and say it is bad to drink and it is bad to smoke. You know something, Mr Speaker? I have known NDPers, I have known Liberals and I have known Conservatives who are known to smoke and drink. That does not mean it is a good idea, but it is well distributed across the whole of the province, and in fact, I think you will find, across the whole of the world. But with gasoline the difference is that this is not an issue where you can simply say, "This is a luxury." Gasoline is not a luxury.

1920

Interjection.

Mr Turnbull: I hear a member across the way suggesting there was a deal that we would only be 10 minutes. There was a discussion earlier with our whip, where the first speaker, the member for Durham East, said he was going to be 15 minutes. He took an hour. I am reminded of the old axiom that people who live in glass houses should not cast stones.

I would like to read into the record an extract from the report on cross-border shopping for the standing committee on finance and economic affairs, dated June 1991. The extract that I want to put in is:

"Of particular concern to the communities close to the border, in the convenience zone, was the level of taxation on gasoline. Surveys have suggested that gasoline, which is 20 to 25 cents per litre cheaper in the US, is one of the drawing cards enticing Canadian shoppers across the border. Once there, they buy other goods. In one survey in Sault Ste Marie, 68% of respondents indicated that they would not shop in the US for milk, groceries and other items if the price of gas was comparable. The majority of the difference in gas prices can be attributed to taxation. For example, based on data from Energy, Mines and Resources Canada, all but six cents of the 21-cent difference in the Canadian and US average retail prices in 1990 can be accounted for by taxes. Provincial and federal taxes each account for around 20% of the retail price at the pump."

I want to read that again: "Provincial and federal taxes each account for around 20% of the retail price at the pump."

This is the party across the floor that always wants to blame the feds. I am not saying the feds are right; I am saying the government is just as bad as the feds. Further, the report reads:

"In view of the key role that gasoline appears to play in cross-border shopping, the Ontario Border Communities Task Force has been advocating a system of gas tax zones similar to that practised in Quebec. In that province, there are four concentric zones around the Ontario and US borders with gas tax rebates ranging from 33.3% in the zone within five kilometres of the border to 1.27% in the zone from 15 to 20 kilometres away. The task force believes that if both federal and provincial governments reduce their gas taxes according to a zoning formula, the incentive to cross the border to fill up—and then shop—would be diminished."

That is what our own standing committee on finance and economic affairs suggested. Instead, we see not only the tax grab that we have with the budget, but built into it a further tax grab of 1.7 cents per litre on January 1. To make an already difficult situation worse, the government proposes to grab it.

It has been said that the art of taxation consists of so plucking the goose that you get the most feathers with the least hissing. I would suggest that we are getting a lot of hissing from the goose and I think we are going to get more hissing from the goose as they say, "No, New Democrats, stop picking my pocket."

I see my friends across the floor do not like the lines. That is tough but they campaigned on a platform which was fraudulent. Consequently the taxpayers, the voters of Ontario, have a right to be annoyed, and it is more than geese. They are hissing and they are hissing badly. I dare say if the government were to call an election today, it would lose very badly.

I want to turn to the effect on industry. In January, Ontario's gasoline tax rate will be the highest in Canada. It affects small businesses that are running parcel trucks. It affects courier services and we already know that these people are very badly affected by the recession.

I can tell members that the majority of people, not all but the majority of people who work as a driver for a courier service are not Conservative supporters. We know that. Chances are they are or were supporters of the New Democratic Party and the government is going to put them out of work. Why? Because it is not a big union movement, because we know the government panders to anything a big union asks it to do, but it could not care less about the rest of the workers.

The government is hitting industry when it is down and the burden of tax increases compounds the difficulties faced by business, which is competing against the Americans. Whether the government likes it or not, we will always be competing against the Americans because—do you know something?—we have a border with the Americans and we simply live here. The majority of all our trade, 90% of Ontario's exports, goes to the United States. Across Canada, it is 80% but in Ontario we have a greater dependence on the US, and unless we want to close the borders and make us into a Third World country, that is the reality that is going to continue.

In conclusion, I would like to mention a little bit about the effect on the tourist industry. Ontario is one of the most travelled places for tourists from the US and we know that almost all—in fact, three quarters—of Americans who visit Canada come by car. They do not come by plane. They do not come by train. Three quarters come by car. The reaction of people who come by car is, "It has become a very expensive place." They are thinking about not coming in the future. I hope the members here will realize what an important part of our economy the travel industry is. It employs literally thousands and thousands of people.

Some of the people have quite modest jobs. They do not earn very much and they are at the bottom of the pay scale, but that is all the employment they can get. If the government takes this away, there are no alternatives other

than unemployment insurance. I am alarmed at the number of people we have who are now reaching the end of their unemployment insurance payments.

I find it absolutely astounding to find the degree of jollity the NDP benchers have over something so serious as people who are losing their jobs. The members can chuckle away all they like when they are not on camera, but the people of Ontario have a right to know that they find it so hilarious that people are losing their jobs.

In conclusion, the new tax should be invested in the roads but instead it is being sucked into general revenue. We know that in the US they dedicate the majority of their taxes from gasoline to roadwork, and indeed Ontario has a serious need to address its roads. The roads are deteriorating and we must address them. We have to.

Going back to the NDP document *An Agenda for People*, the government said it was going to spend \$100 million a year on four-laning the Trans-Canada Highway, yet 3.5% of that promise has been paid in the last fiscal year. Which-ever way members opposite want to look at it, \$3.5 million or 3.5%, they are making this huge tax grab.

To give the people a sense of this, for the year 1990-91, the Ontario government collected \$2.7 billion in revenue from direct vehicle user taxes, fuel, licences and permits, and in addition to that, \$1.3 billion in revenue from sales taxes for new and used vehicles and parts. Yet the government is only going to spend \$1.8 billion on road expenditures, and of that only \$3.5 million will go to the Trans-Canada Highway, an issue so important that it made it into this wonderful document, *An Agenda for People*, an agenda for power. It was so pressing they had to have it in here and they gave a number as to how much it was going to cost. That, like everything else, is a broken promise.

1930

We know the comments that were made by the member for Durham East suggesting that entrepreneurs were crooks. That is consistent with the kind of comments his ministers are traipsing around the province making. They are slandering innocent people around the province, yet the Premier is saying he wants to encourage doctors in northern Ontario. He wants to encourage business, yet we have ministers of the crown slandering taxpayers. We have members who bring forward the bills and speak on the bills suggesting that in some way it is entrepreneurs who are ripping off the tax—

Mr Drainville: You should know.

Mr Turnbull: Mr Speaker, I am going to point out the fact that the member for Victoria-Haliburton suggested I should know about ripping off taxpayers. I would not have mentioned this, but I would suggest that I have paid in corporate and personal income taxes more than most of your benches have in your lives and I earned it.

Interjections.

The Acting Speaker (Mr Farnan): Order.

An hon member: You hit a sore point.

Mr Turnbull: It is not a sore point; it is a point of pride. I have contributed to this province that I came to, which I found so wonderful and I have worked hard in and I have prospered in. To have members impugning my

integrity in terms of what I pay in taxes is outrageous, Mr Speaker, and I would ask you to—

The Acting Speaker (Mr Farnan): The member will take his seat. Let me point out that there have been considerable interjections by the member for Victoria-Haliburton and the member for Windsor-Sandwich. This does not help in the debate. I also want to point out to the member for York Mills, when you make inflammatory remarks, you can anticipate an unwelcome response.

I also want at this stage—I did not want to interrupt the flow of your speech—to say that it does not enhance the decorum of this House when you refer to members by their first names. The standing orders in this House are very specific: You refer to members by their riding. The record will show that you referred to a minister of the crown by first name. This does not help the decorum. All members would be well advised of this fact.

Mr Turnbull: Mr Speaker, I think that is a good lesson. Thank you very much. I think it is in the same light that it does not help the decorum or the admiration people have for the government when a minister of the crown goes around the province slandering private citizens and not doing the correct thing and withdrawing from her ministry.

I have spoken at a little more length than I had anticipated, but it goes to the heart of the message that we in the Conservative Party have, that we have gone beyond the point where the government can raise any more taxes. Whether they like it or not, I say to my friends across the way, this is it. There are no more taxes, because the people are at tax exhaustion and the voters and the taxpayers are voting with their feet and leaving this province.

I will close by saying that in our document *New Directions: A Blueprint for Economic Renewal and Prosperity in Ontario*—which any of the viewers can write to me and get a copy of—we suggest that as far as gasoline and fuel taxes are concerned, gasoline and fuel taxes should be immediately cut by 10%. This would benefit all sectors of the economy, including transportation, tourism and manufacturing. Combined with a reduction in PST, these cuts would begin to address ongoing concerns and job losses associated with cross-border shopping.

The full-year cost of a 10% gasoline cut would be approximately \$160 million; for fuel taxes, it would be \$37 million. Both costs are in the form of forgone revenues to government and can be fully offset by new revenues generated by economic activity along with expenditure controls, economic activity that we sorely need in this province to stimulate and get us back on track. I do not know if we can get back on track completely as long as we have this government, but to the extent that it is stumbling along it should understand the fact that the taxpayers cannot afford any more taxes.

Mr Drainville: I am glad to rise in my place and just respond to a number of comments that have been made by the member for York Mills. It is not so much the substantive comments that he has made that are in some senses offensive to this side, but rather the innuendo and tissue of half-truths that he trots out in response to some of the initiatives of the government.

For instance, saying that cabinet ministers go around the province slandering people is surely inflammatory, and to say that this is true is surely an indication of his particular point of view. His point of view does have some merit inasmuch as he is a member of this House, but to use slander as an inflammatory comment to the members of the Treasury bench is totally unacceptable.

To take also the point, as if somehow this was relevant to the people of Ontario, is the amount of money that is paid in taxes by the honourable member for York Mills. Quite frankly, who cares? I certainly do not, and the Treasury benchers certainly do not. Really, that is rather like information he should maintain for his own good or at least share it perhaps with his solicitors or those who might be interested and even impressed by such a thing.

I want to say in terms of the other comments that have been made, when we come here to debate these very important bills, these initiatives that have been taken part in by the government, we must do that within a framework of acknowledging, first and foremost, that at least the government believes that the direction it is going in is for the benefit of the people of Ontario. It is the opposition members' role to refute that if they believe it, but it is not their role to be inflammatory, to be derogatory, or just to be rude.

Mr Tilson: I would like to rise in support of the—

The Acting Speaker (Mr Farnan): If the member for Dufferin-Peel wishes to concede the floor.

Mr Tilson: I will yield to the opposition.

The Acting Speaker (Mr Farnan): The member for St Catharines.

Mr Bradley: Actually I was going to speak next, Mr Speaker, but I will use the two minutes anyway so that the member for Dufferin-Peel can have his full two minutes on that occasion.

Who was speaking on the other side anyway? It was a good speech. Oh, the member for York Mills was speaking and talking about the problems that have been created by the policies of this particular government and particularly this tax. I want to say that when I get an opportunity to speak a little later in the evening perhaps subsequent to him, I am going to outline some of the problems I have with this particular tax. Some of them may be the same as the previous member but others may be different because I happen to feel, as the member does, that this bill at this particular point in time is particularly damaging to Ontario and its economy.

I guess people believe that when times are good, when the economy is booming, there is an opportunity to tax and that tax (a) will not be felt as acutely by those who have to pay it and (b) will not have as dampening an effect on the economy as it might on other occasions. There is a recognition, as the member has pointed out, that the government has put itself in a position where, because of its huge deficit not only this year but the projected deficits of years to come, it will feel it is necessary to impose this tax.

But one has to wonder whether this particular tax that we discuss here this evening and the member discussed in his speech will again be raised by the government in an effort to produce more revenues for the various programs

the government wants to carry out or perhaps to hold the deficit in line, because the Premier has obviously heard from the business community. I know that Mr Agnew and others in his office will be suggesting to him that he cultivate at least a civil relationship with the business community, if not one which would produce applause and considerable support.

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Mr Tilson: I rise in support of the member for York Mills and his comments with respect to this bill. The question that keeps arising throughout these debates is, how much can the taxpayers stand? How much can they afford? I mean, why are we doing this? Why is the government putting forward this tax?

It is a substantial amount of revenue that it is going to be receiving if this full tax is implemented, which it will be if the votes go the way they have been going. Effective January 1, it will be a total of 3.4 cents a litre on provincial gas, and as a result of this tax increase, the 1.7 cents in April and the 1.7 cents as of January 1, there will be additional revenue for a full year of \$410 million. That is an astounding amount of money, and I think the question we have to keep asking ourselves is, what are we going to do with it? This is the theme the member for York Mills mentioned. Are we going to put it into the repair of roads? Are we going to put it into solving some of the issues of the environment and what our motor vehicles cause to the environment? Are we going to develop additional alternative means of transportation? Are we going to build new roads? We have not heard of any result of the revenue that is going to be put forward as a result of this bill. There is no question that in a few short weeks, as of January 1, the unleaded gasoline tax rate in this province will be the highest in Canada. Already leaded gasoline has the highest tax rate in Canada.

I think the member for York Mills is quite correct. The real purpose of this bill is not to solve these other problems that I have referred to, the environmental problems or the repair of roads. This tax is indeed a tax grab.

Mr Johnson: I was not particularly taken with the member for York Mills' speech. A lot of the comments he made were very inflammatory indeed, and truly the people of Ontario who were watching him on TV and are listening to me now would probably disagree with his commentary, and I am sure they would have noted the inflammatory aspect of his remarks as well.

To suggest for a moment that this is a tax grab is absolutely wrong and incorrect, and for them to say that—

Interjections.

Mr Johnson: The members opposite are laughing now because their arguments are frivolous. Their arguments are senseless but they are arguments none the less. I hope the people of Ontario realize that. But to say that it is a tax grab is incorrect.

Ontario at this time is in probably one of the worst recessions it has seen in 60 years—in fact, it is in the worst recession it has seen in 60 years—and I think it is very important that this government manage its fiscal responsibility to the province the very best it can. There are very

many needs at this time. There are needs in welfare. There are needs in services that are exacerbated by this recession, and we have to raise some money somewhere. Certainly whatever the taxes may go towards ultimately, if it is better roads, better infrastructure on our highways, maybe this tax, which is a gas tax, will go to help that.

Ultimately, all taxes are collected and dispensed around the province to make sure the people of Ontario suffer as little as possible during this very bad recession.

Mr Turnbull: Within the literature, I am reminded of the idea of rewriting history every few years so that anything which is embarrassing and unfortunate will be swept under the rug and it will not appear anywhere. I presume that in this brave new world that we have, the Agenda for People will be swept under the rug and we will rewrite history. But I am absolutely struck by the idea that an increase in the tax of 1.7 cents per litre is not a tax grab. This truly is newspeak. I am not quite sure what it is. He did not explain. He just said it was not a tax grab, but they are raising 1.7 cents per litre.

As far as spending money on the roads is concerned, we know of the broken promise about spending \$100 million per year on four-laning the Trans-Canada Highway. We know from estimates that they spent 3.5% of that. That is a broken promise, and I listed a litany of broken promises. People can call it inflammatory language but it is the truth. We know the Minister of Northern Development went and deliberately lied to get the better—

Interjections.

The Acting Speaker (Mr Farnan): Order.

Mr Turnbull: Excuse me, Mr Speaker, I take that back.

The Acting Speaker (Mr Farnan): The member will take his seat. We talked about decorum in this House and the public perception. That type of comment does absolutely nothing for the public perception of this role of a member of Parliament. I ask the member to withdraw it.

Mr Turnbull: I certainly withdraw it. I would like to remember the words the minister used about the fact that she had misled the people in a heated argument. If this is what a minister of the crown is going to do—

The Acting Speaker (Mr Farnan): Order. The member will clearly withdraw the comment or I will have no alternative but to ask the member to leave the chamber.

Mr Turnbull: I clearly withdraw it and suggest that it was a terminological inexactitude that she used. I forget her exact words as to how she described it.

The Acting Speaker (Mr Farnan): Very clearly, I am going to say to the member once more, you will either withdraw unequivocally or you will leave this chamber.

Mr Turnbull: I think I did withdraw unequivocally, and I pointed out that there were other words.

The Acting Speaker (Mr Farnan): Will the member please take his seat. If the member wishes to rise and simply state, "I withdraw," period, it will be acceptable. Nothing else.

Mr Turnbull: I have already said that I withdraw. Indeed, you will have more to hear from me on this issue.

M. Bisson : J'ai un certain plaisir d'avoir la chance de me lever aujourd'hui dans la Chambre et de parler au sujet du projet de loi qui est devant nous dans cette Assemblée. Je regrette un peu les commentaires de notre collègue qui a parlé avant. Je pense que beaucoup de monde qui regarde du public et qui essaie de voir ce qui se passe ici ces journées-ci aimerait voir un peu plus de respect et de civilité dans cette Chambre. Après tout, on a été élu pour venir ici représenter le monde de cette province, et c'est notre responsabilité de toujours nous comporter selon le plus haut calibre possible dans les débats. Mais quand on vit en Ontario, on va un peu d'un bord à l'autre.

1950

C'est intéressant : on se trouve ici, encore en 1991, dans une situation où le gouvernement de l'Ontario, comme d'autres gouvernements à travers le pays, vient devant cette Assemblée pour dire qu'il a besoin de mettre une taxe sur l'essence.

Ce qui arrive, c'est que je pense qu'on a besoin de se poser la question : pourquoi est-ce nécessaire ? Je pense que les députés de l'Assemblée ont parlé en assez de détails pour expliquer pourquoi c'est nécessaire, pourquoi ce n'est pas nécessaire, qu'est-ce qui est mieux, qu'est-ce qui est faux ou de quelle manière s'y prendre quand ça revient à n'importe quelle taxe.

Je pense que c'est un fait accompli, un fait que tout le monde comprend qu'aujourd'hui on se trouve dans une situation à travers ce pays, et puis je pense à travers l'Amérique du Nord et possiblement en Europe où beaucoup de monde dit : «Écoute, les taxes, on vient au point des fois où on pense qu'on en paie un peu trop.» Je pense qu'ici en Ontario, comme nos autres collègues et nos autres concitoyens à travers le grand pays, des provinces Maritimes jusqu'à la côte ouest du pays à l'océan Pacifique, on a vraiment une situation dans ce pays-ci qui est remarquable.

On a un standing de vie qui est soulevé, le deuxième dans le monde, de cette planète entière. On a un ensemble de services desquels on est fier comme Canadiens. On est fier, comme Ontariens, de dire que se sont les nôtres. On regarde le système de santé qu'on a dans notre province, comme l'ont d'autres juridictions au Canada. On sait que si on devient malade, on a la chance d'entrer directement dans un hôpital sans sortir un cent de notre poche, pas un cent pour aller voir le docteur ou aller à l'hôpital dire : «J'ai mal ; j'ai une maladie et j'ai besoin d'aide.» Je pense que c'est une qualité, c'est une situation de privilège, ce sont toutes sortes d'affaires que disent les Canadiens de côte à côte et qui nous désignent comme Canadiens.

Ça veut dire que l'on a besoin de payer pour ces services-là. On est dans une situation dans ce pays où on a d'autres programmes, pas seulement un programme de santé, mais aussi des programmes ayant affaire avec toutes les questions de logement et être capable de mettre en place des logements à des prix qui font du bon sens pour nos citoyens. C'est être sûr que quelqu'un qui est sans capacités sera capable de travailler pour avoir des sous pour payer le logement nécessaire, que les provinces, comme la province de l'Ontario, mettent en place des programmes de logement pour que ces personnes-là puissent vivre avec une certaine dignité et savoir qu'ils n'ont pas

besoin de s'inquiéter quand ils se réveilleront demain matin, qu'ils auront un toit sur leur tête et ils ont quatre murs autour d'eux, que c'est chauffé et qu'ils ont une place où ils peuvent demeurer et qu'ils n'ont pas besoin de s'inquiéter trop qu'ils devront aller rester au froid dans les rues.

Oui, on a des problèmes en l'Ontario comme dans toute autre place, mais je pense qu'on a fait jusqu'à un certain point cette société. On a bâti une société où il y a de la compensation dedans. On a la chance de dire qu'on peut prendre soin de ceux dans notre société qui n'ont pas toutes les capacités des fois, et seulement des fois des chances d'être capables de retrouver et regagner l'argent nécessaire pour soutenir une vie avec une certaine dignité.

Ce que ça veut dire, c'est qu'on a besoin de payer les taxes. Des fois on ne sait pas et on dit : «Écoute, j'en paie assez, j'aimerais en payer moins.» Tous les députés de l'Assemblée, tous les citoyens l'Ontario disent : «Oui, on aimerait payer moins de taxes.» Mais si on veut soutenir un standing de vie dans notre province et à travers tout ce pays, il y a un prix à fixer à cela. On peut prendre des décisions ici en Ontario comme on peut prendre des décisions n'importe où et on peut dire qu'il n'y aura plus de système médical universel pour tous les citoyens et citoyennes de l'Ontario ou dans n'importe quelle province du pays du Canada.

Peut-être qu'on pourrait imposer moins de taxes à nos citoyennes et citoyens. On pourrait prendre des décisions en disant qu'on n'a pas besoin de routes à travers notre province. On n'a pas besoin de faire sûr que des routes qui font du bon sens, que l'on peut amener nos camions pour transporter les produits d'ici d'un côté de la province à l'autre, ou d'être capable de prendre la route avec une certaine confiance et sécurité en étant certain qu'on est capable de se rendre de point A à point B. Ça veut dire qu'on a besoin de dépenser de l'argent pour être capable de soutenir ces routes. Et si l'on prend la décision que non, on ne veut pas faire cela, encore pourrait-on dire aux citoyens et citoyennes de la province : «Vous avez besoin de payer moins de taxes.»

Une affaire que j'ai vu qui est très au courant pendant les de quatorze ou quinze mois que je suis ici comme député, c'est qu'on a beaucoup de monde qui vient dans nos bureaux dans les comtés et ils nous disent : «J'ai besoin d'un service. Je suis une entreprise privée qui a des problèmes. Comme entreprise privée, j'ai besoin de l'argent du gouvernement pour être capable de soutenir mon industrie, pour être capable de traverser la récession qu'on a aujourd'hui et donner des emplois à des travailleurs et travailleuses. Et nous comme gouvernement donnons de l'argent à ces compagnies.»

On a beaucoup de monde qui entre dans nos offices de comté et nous disent : «Monsieur le député, j'ai un problème médical ; j'ai besoin de partir de Timmins, de Cochrane, de Kapuskasing, et aller à Sudbury ou à Toronto pour rechercher un service de santé qui n'est pas disponible dans notre coin de la province. Nous comme gouvernement donnons de l'aide directement à ces citoyens-là pour prendre un avion ou un train ou leur auto pour chercher ces services si ces services ne sont pas sur place. Il y a beaucoup de monde qui dit : «Je veux avoir plus de services.» Ça veut

dire que l'on a besoin de payer les taxes pour avoir ces services-là.

Le grand problème qu'on a aujourd'hui, je ne pense pas que ce soit une surprise, c'est que l'on se trouve au milieu d'une récession qui est possiblement la pire récession que l'on a jamais eue dans l'histoire de l'Ontario, qu'on a jamais eue à travers l'histoire du pays qu'on appelle le Canada. On a une récession qui a touché chaque personne dans notre société bien proche. Ça touche les travailleurs dans les industries pareilles comme elle a touché ceux qui appartiennent aux petites entreprises dans nos communautés et même certaines personnes qui travaillent dans le secteur public de nos gouvernements provinciaux, fédéral ou municipaux.

La grande décision qu'il faut prendre comme gouvernement et comme députés élus à cette Assemblée, c'est de trouver des manières pour retrouver les dollars nécessaires pour payer ces services-là. À un certain point, cette taxe représente le coût d'être capable de livrer ces services-là qu'on a présentement dans la province.

Mais est-ce que c'est assez ? On sait que l'année passée, en 1991, le Trésorier est venu à cette Assemblée et il a donné son budget pour l'exercice financier 1991-92. Dans cette année fiscale, il a dit qu'on allait avoir un déficit de 9,7 milliards de dollars et beaucoup de monde de l'autre côté de l'Assemblée et certaines personnes de notre communauté ont dit : «9,7 milliards de dollars, ce n'est pas acceptable.»

On doit avoir un budget qui est balancé, qui n'a pas de déficit. Le gouvernement de l'Ontario aurait pu dire dans le temps : «Bien, oui, on peut enlever 9,7\$ milliards de notre budget et on va aller couper des services. On va couper les services de santé, de sécurité, les services de logement, les services du bien-être social, tous les services qui sont nécessaires aux citoyens de la province.» Mais on a dit non. Pourquoi ? Parce qu'on a assez de confiance en le monde de l'Ontario ; on a assez de respect pour savoir que ces services-là sont nécessaires.

Les 9,7\$ milliards — ce n'étaient pas de nouveaux dollars — on a dit : «On va aller dépenser encore une somme de 9,7 milliards de dollars.» C'était seulement pour maintenir les programmes qu'on a aujourd'hui. Grâce à la récession, on se trouve dans une situation où les revenus — on va les baisser par un point dramatique dans notre situation, qui est pareille aux autres provinces, d'ailleurs. On a appris dernièrement en Saskatchewan que sous le gouvernement de M. Devine, il y avait un déficit. Si on compare la population de l'Ontario avec celle de la Saskatchewan, il est trois fois plus élevé qu'ici en Ontario. Ce n'est pas parce que c'est du méchant monde ; c'est la réalité de la récession dans laquelle on se trouve aujourd'hui en 1991.

2000

Là, ce qui arrive c'est que nous au gouvernement avons besoin de payer les «bills». Il faut payer notre système d'éducation. Il faut aider nos municipalités à travers la province. Il faut aider ceux qui sont plus démunis, qui ont besoin de l'aide du gouvernement pour donner la dignité de vie dans cette récession. En même temps, on a besoin de trouver des solutions nécessaires pour remettre de leur argent dans notre économie pour rebâtir l'économie de l'Ontario. Il y eu beaucoup d'affaires qui sont arrivées

pendant les derniers cinq à dix ans qui ont vraiment changé le jeu économique qu'on trouve ici au Canada. Il ya des pressions mondiales comme il y des pressions intérieures à travers le gouvernement fédéral qui nous ont mis dans cette situation.

Mais là on a besoin de trouver des solutions. Le gouvernement a pris une décision l'année passée avec notre budget, qu'on était pour maintenir ces services pour cette année pour nous donner le temps de regarder à long terme ce qui peut être fait pour résoudre nos problèmes fiscaux à long terme. Cela veut dire que oui, il va y avoir des rajustements, il va être nécessaire de regarder tous les ministères et tous les services pour voir où on peut épargner l'argent qui nous revient en taxes, pour pouvoir balancer notre budget à long terme.

Les taxes en font une partie. On ne peut pas faire l'un sans l'autre. Si on essaie de balancer un budget de 50 milliards de dollars en services pour la province, ce n'est pas seulement qu'on va couper d'un bord à l'autre et dire que ça va arranger notre problème, parce que en même temps on a les services qu'on a besoin de fournir de l'autre côté. Si on dit qu'il y a une balance, la balance qu'on essaie de trouver autant que possible c'est des manières à faire des économies dans le système gouvernemental. On a donné des directives à tous les ministères de faire chacun des recherches pour trouver des manières de couper leurs dépenses. On leur a demandé de regarder les projets qui sont nécessaires pour voir s'il y a une manière de faire des économies directement dans les programmes.

L'autre solution a été les taxes. Je n'ai pas de difficulté, en tant que député de ce gouvernement et de cette Assemblée, de dire que je peux supporter ce projet de loi qui va dire : «Oui, M. le Président, une autre taxe.» Je dirais à n'importe quel député de cette Assemblée qui peut me regarder droit dans les yeux en me disant que si son parti était le gouvernement, il n'aurait pas fait de même, qu'il a peut-être besoin d'aller encore regarder dans le miroir, parce que je connais la réponse à cette question. Pendant les années passées, pendant 44 années, les Conservateurs ont mené cette province et ils ont beaucoup augmenté les taxes pendant ces années. Ce n'est pas que c'est du méchant monde ; c'est parce que les citoyens de l'Ontario sont arrivés et ils ont dit : «Écoutez, on veut avoir des services.» Le gouvernement conservateur à l'époque a dit : «Oui, on vous donne les services. On recherche l'argent à travers les taxes.»

En 1985, nos collègues de l'autre côté de l'Assemblée, les Libéraux, se sont trouvés au pouvoir un jour. Par l'intermédiaire d'une démocratie, le peuple de l'Ontario a dit : «On donne la chance aux Libéraux de mener notre province et de prendre des décisions que nous pensons être importantes pour notre province», et le gouvernement à l'époque, de 1986 à 1991, a pris des décisions.

Le Parti libéral, quand il était au pouvoir, a augmenté les taxes sur l'essence et sur les cigarettes et sur d'autres tabacs, sur les boissons, sur nos revenus ayant à faire avec les petites entreprises ; il a ajouté une taxe aux pneus des camions jetés au rebut. Ils ont augmenté les taxes parce que c'était une nécessité. C'est une nécessité pour n'importe quel gouvernement, une responsabilité. On va donner des services et il faut trouver un moyen de les payer.

Comme n'importe quel Ontarien ou Canadien, on n'aime pas payer ces taxes parfois, mais si on demande des services à nos provinces ou aux municipalités ou au gouvernement fédéral, il faut avoir les taxes pour payer ces services. Je pense que le monde commence à réaliser un peu que si on demande des services, ça veut dire qu'on y rattache un prix. Le prix, c'est les taxes. Le gros défi de ce gouvernement, ce sera regarder dans les années à venir où il pourra faire des économies dans le système gouvernemental, où économiser dans les ministères. Il nous aidera peut-être de ne pas faire une augmentation des taxes d'un bord à l'autre.

Mais pour les députés de l'Assemblée et la population de l'Ontario, ça va être un jeu très difficile. On se trouve aujourd'hui dans la pire récession dans l'histoire de la province depuis 1930. On est dans une situation où les revenus ont baissé tellement parce qu'il y a moins de postes et il y a moins de personnes qui dépensent l'argent, et ça veut dire que nous comme gouvernement recueillons moins de taxes.

En même temps, parce qu'il y a moins de personnes qui travaillent, on a beaucoup plus de monde qui recherche les services de l'Ontario. Cela veut dire que l'on a besoin de payer. Une couple de chiffres seraient intéressants. Si on regarde des communautés, je sais qu'il y en a une dans le nord de la province qui estime que pour janvier 1992, 30 % de toute la population de cette municipalité va être sur le bien-être social. Il y a probablement certaines personnes dans cette Assemblée qui diraient : «S'ils sont sur le bien-être social, c'est qu'ils ne veulent pas travailler.» Les députés m'excuseront, mais ce n'est pas qu'ils ne veulent pas travailler ; il n'y a pas de jobs. Le monde veut travailler. Ils ont besoin des emplois pour avoir les dollars nécessaires pour payer leurs coûts. C'est une situation qui n'est pas mal sérieuse dans la province, et nous le gouvernement avons besoin de trouver les moyens pour résoudre certains de ces problèmes.

Une autre affaire qui est intéressante c'est quoi qu'il arrive, quand certaines personnes soit de cette Assemblée, soit du grand public parcourent la province, tout ce qu'ils peuvent dire c'est que tout est terrible, que tout est méchant, que tout est grave : «Il n'y a pas un projet de loi qui est bon qui vient du gouvernement de l'Ontario. L'économie n'est pas bonne. Les faiseurs de décisions sont corrompus. Ils ne font rien de bon.» Ce qui va arriver, les gens vont commencer à dire : «Si les affaires sont tellement graves, mon Ski-Doo que je voulais acheter la semaine prochaine, je ne l'achèterai pas. J'ai un poêle à acheter. Notre poêle est cassé et je ne dépense pas l'argent pour pouvoir en acheter un autre.

Quand on baisse la confiance des consommateurs dans notre province ou dans notre pays, ça nous met dans une situation où ça augmente le problème. Je pense qu'un des plus grands services que nous dans cette Assemblée pouvons rendre, spécialement dans le secteur d'affaires, dans notre économie, c'est essayer de monter la confiance des consommateurs. Si on peut augmenter leur confiance, on va se trouver dans une situation où ils vont probablement trouver la confiance pour aller dépenser des dollars et rétablir l'économie en Ontario. Peut-être qu'on pourrait être dans une situation plus élevée qu'elle ne l'est aujourd'hui.

Donc, oui, à la fin de la journée je vais appuyer cette position prise par le gouvernement, entendant que c'est une mesure nécessaire faisant affaire à être capable de donner des services nécessaires à la population.

The Deputy Speaker: Are there any questions or comments?

Interjection.

The Deputy Speaker: The member for Hamilton East.

Hon Mr Mackenzie: Just a very brief comment. I listened to the speech of the member for Cochrane South and I thought it was one of the better and more thoughtful speeches that we have had delivered in this House tonight. I want to indicate that somebody has taken a serious look at what the problems are. It was a different speech from that of the member for Durham East, who put a bit of humour and lightness and challenge into some of his comments across the way, but I think the speech by the member for Durham East and the speech that we have just had from the member for Cochrane South are two first-class examples of somebody really paying attention to a bill and articulating well what that bill tries to say.

Hon Mr Wildman: I listened intently to my colleague the member for Cochrane South. I want to assure all members of the House and all members of the public who might be watching on television that there are simultaneous translation facilities in the House available to anyone who is not bilingual, so my colleague who was speaking eloquently in his native tongue could express his views on behalf of his francophone constituents in this House as we would want him to be able to do, and all members could understand.

To suggest that perhaps there is no comment because one did not understand is simply to show that whoever would take that position was not interested in listening to the translation so he could understand what my friend the member for Cochrane South was saying.

Mr Cousens: I do not know how anyone can put a positive slant on an increase to the gasoline tax. Regardless of the language one says it in, it is still going to come out to have an increase in gasoline tax and an increase of cost of doing business. It is something that is going to hurt everybody in the north and in the south. The honourable member for Cochrane South certainly represents the people from the north. In saying what he says, he is certainly trying to support the government.

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I have not seen anyone across the floor stand up and oppose the government on any of its tax bills. Yet I have to tell you, Mr Speaker, that when the government members sat in opposition they whined and screamed and cried with outrage at every tax increase made. There was unanimity then when they opposed any tax increase and there is unanimity now. What I am trying to find out is, what happened? This honourable member was not here when they were in third-party status or opposition status and those days when they strongly opposed tax increases. Why is it that he becomes such a strong proponent for these things? Could he explain to me what has happened to the mentality of the socialists here in Ontario who, at one time, opposed it but now support it?

The member is a person who is honest and honourable. Is he in a position to explain to us what has come over the NDP since it got into the government? Is the NDP in a position to live with its conscience from what it used to be as it sat on the outside looking in? Is it in a position to stand up and truly speak its mind? Or, when it falls from power a few years from now—and it cannot be soon enough, as far as I am concerned—is it then going to come along and start crying like the Liberals do? Every time they have a chance to complain about the tax increases, they are just as much a reversal as the government is showing.

Mr O'Connor: I want to thank our French translators who helped me and the viewers at home understand exactly what the member for Cochrane South was saying. I think he added quite a bit to the debate. He talked about the privilege of paying tax. I know that has to be a hard thing to understand, but we have to recognize that by paying taxes we have some ownership.

We own the health care system we have in this province, which he spoke so well about. That is part of this country we live in, what makes it terrific. He spoke quite well about it. He spoke about housing projects, which, of course, cost money, and also about people who cannot afford to move into some of the housing projects but need some assistance in housing, period, and maybe the people who just need some assistance for food. He spoke about that, and those needs all cost dollars. Unfortunately, in the times we are in the government has to raise them. He spoke about that and he spoke quite well about it.

During the summer, when I was on the standing committee on public accounts, I had an opportunity to speak to a young person down in the States. I say "young person"; he is around my age. He has two young children, a three-year-old and a six-month-old. His wife worked part-time in a hospital, coming back from her maternity leave. He was making \$7 an hour. The payroll deduction for the health care he had to pay for was \$100 a week on \$7 an hour. That is what they were paying for. There are more people in the United States without any health care at all than we have in all of Canada. That must say something really good. It is something that all of us members can be proud of and, I think, all of Ontario should be proud of. The member for Cochrane South put it more eloquently than perhaps I could have, perhaps members opposite, who seem to like to chastise us because they think we are big spenders. When people are in need, I think we would all agree that the money has to be spent and well spent.

M. Bisson: Je trouve intéressant que le député de Markham a pu prendre deux minutes pour répondre au discours, aux commentaires que j'ai faits en ce débat, car le député n'a pas même utilisé les services nécessaires pour faire la traduction. Je trouve ça très intéressant, pour en dire le moins.

J'aurais aimé clarifier un point que j'ai fait faisant affaire avec les taxes. Il n'est pas question d'un privilège ; c'est une responsabilité. La question de payer les taxes, c'est une responsabilité de tous les citoyens de la province ou du pays pour qu'on soit capable de maintenir les services

nécessaires pour établir la dignité de la vie, si on peut le dire, dans cette province ou dans ce pays. Le point, c'est simplement qu'à la fin de la journée, si on veut avoir un Canada, si on veut avoir une province de l'Ontario qui donnent les services nécessaires, comme les services de santé, comme les routes que l'on veut avoir dans notre province, comme le développement régional dont on a besoin dans le Nord de l'Ontario, ou n'importe quel autre service, ça veut dire qu'on a besoin de payer des taxes. Parce que sans taxes, ça ne se paie pas ; il n'y a pas d'argent, il n'y a pas de services.

J'ai eu la chance de rencontrer un sénateur de Minnesota dernièrement, il y a deux ou trois semaines. C'était très intéressant de m'asseoir avec lui regarder de sa perspective les responsabilités du gouvernement dans son coin de son pays. Là, on n'a pas les services qu'on a ici. Oui, ils paient moins de taxes, il n'en est pas question. Ils paient moins de taxes qu'ici en Ontario sur certaines marchandises qu'ils achètent, pas tout. Mais ils n'ont pas les services. Ils n'ont pas les services de santé. Ils n'ont pas les services qu'on a ici dans la province de l'Ontario. Si on veut aller dans cette direction-là, qu'on ne paie pas de taxes. Ça va être bien simple. La situation, c'est que si on veut maintenir les services, c'est important d'avoir les revenus nécessaires pour mettre sur place les services nécessaires pour la population de l'Ontario.

Mr Bradley: I appreciate the opportunity at long last to be able to speak on this bill, which increases the cost of gasoline in this province by, I think, somewhere around 30%, particularly in the context of one of the deepest recessions this province and country has seen. The recession has been particularly difficult for Ontario, which is why I question not only the implementation of this tax at any time now with the level of taxation we have reached but in particular the timing of this tax in the midst of the recession to which I have made reference.

One can recognize what some of the problems are of people locating in Ontario or people taking their business away. Daily, if we listen to the news, we hear of yet another business that is moving out of Ontario. There are a few exceptions, and the government members have a role and responsibility to bring those to our attention and to paint a rosier picture than those of us in the opposition might be inclined to do.

But I must mention that it is most depressing to me to hear, day after day, the number of businesses that are closing down, scaling down or planning to move out or close down in Ontario. It is not something one looks forward to with anticipation. One might say it provides good fodder for the argument in the Legislative Assembly. It provides a good opportunity to politically attack a government. Frankly, I would prefer not to have that opportunity. I would prefer that Ontario was enjoying good economic times, that people were investing in this province, and that people who are already here were retaining that investment, but such is not the case.

I know members opposite, as is their wont, will indicate that the high dollar, free trade and high interest rates—at least until recently high interest rates—had a profound effect on

our economy. I cannot quarrel with that. Those policies are ones with which I disagree.

The artificially high dollar, if we talk to people who are employees in Ontario, they will tell us its detrimental effect on job creation and job retention in this province. But what is more interesting probably is that people in the business community, who often are sympathetic to the federal government, will tell us that the effect of a high dollar in Ontario is rather dramatic. I remember being in Thunder Bay speaking to a vice-president of a pulp and paper company and asking the person what one cent on the dollar meant in terms of gross income for that company. The person indicated that one cent's upward movement in the Canadian dollar would cost him \$17 million in a year. So we can appreciate that the high dollar has had a marked effect.

Second, free trade: I think we are watching to a certain extent—I hope this is not the case; I do not think I am much of prophet saying it—the deindustrialization of Ontario. Former Premier Peterson, when he had spoken at federal-provincial conferences on this, made that prediction, again based on what many economists and many groups in our society had said. He indicated that we would likely be presiding over the deindustrialization of Ontario if we were to implement the specific free trade agreement that was negotiated between Canada and the United States. So certainly that is a factor this government has to contend with.

Third, until recently we had high interest rates. What has been particularly concerning to me is that the interest rates have now dropped substantially. They are the lowest they have been in years and yet we do not seem to see the economy picking up quickly. One would have anticipated that might have happened. Frankly, the same thing is happening in the United States at the present time. Their economy is not picking up as quickly either and their interest rates are of course relatively low.

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The reason I mention these things in this debate is that when people are making a decision to leave Ontario, or to invest in a particular place such as Ontario, they look at a multiplicity of factors. One of those is taxation. This is just one tax. The gasoline tax increase of approximately 30% is just one tax. I would suggest to members of the Legislature and to the people of Ontario that people are so overburdened with taxes now, are so concerned about government interference at a time when we are in this economic recession and competition is tough, that even a tax such as this can have some influence. I am not saying it is a deciding factor, but it is one of the influences on whether someone is going to continue to keep his or her investment in Ontario or to invest in the future.

The gas tax, those of us who reside in border areas would know, is one of the loss leaders. It is one of the lower gas prices in the United States. In border areas such as the Niagara Peninsula, Sioux Ste Marie, Cornwall and various points along the Canadian-American border in Ontario, we find people heading to the United States. Some will say, "They always did." Some people went on a shopping excursion because they liked the fact that there was perhaps more available, more options to buy and sometimes the price was lower.

What we have been seeing for the last year or two is a different phenomenon, people going over the border to make some smaller purchases and while they are there making larger purchases. Let me explain that for a moment.

The member for Lincoln mentioned the tobacco tax. When I spoke on the tobacco tax in the House, I indicated that in good economic times and under some circumstances, if a government had raised the tobacco tax, people would say, "Hurrah, it is going to help the health of the province if it encourages people to quit smoking." It would not really have a measurable effect on the province. As the member for Lincoln discovered, I think in discussions with some of his constituents—this prompted him to vote against the bill on second reading, which cost him his job as Chair of the standing committee on finance and economic affairs because no one dared deviate from the Premier and the group of people in the Premier's office who dictate all that goes on over there. He was fired as Chairman of that committee, but the reason I get to this—

Hon Mrs Grier: If only you knew.

Mr Bradley: It is true. The Minister of the Environment says, "If only you knew." I know who controls everything. It is the Premier who controls everything. The Minister of the Environment would be much more benevolent and understanding of a member who is voting to save his skin in his own riding.

We see people heading across the border to buy tobacco products. We see them going across the border to buy alcoholic beverages because they are cheaper, cases of beer for instance. The spinoff of that, the sidebar to that is they tend to eat in the United States because the beverages that go with the meal are so much cheaper that it makes the entire evening out cheaper.

I mentioned the tobacco products. I mentioned the alcoholic beverages. The third component of that and perhaps the most significant, because not everybody drinks and not everybody smokes but virtually everybody drives a car or has access to a car, is that we have people in areas that are not even that close to the border heading over there to fill up the tank with gasoline, to buy some cigarettes, to buy some alcoholic beverages, and while they are over there of course they visit one of the malls on the other side of the border and make other purchases.

That is why I am concerned that we would drive the price of gasoline up with this tax. The federal government did it and now the provincial government, which is often so critical of the federal government, has followed suit. That is why I think that is unwise. Second is that it increases the transportation costs. For people who are driving around Ontario, there are many companies and the public service where there is mileage paid, as I still call it, or kilometrage I guess they would call it today, paid to people using government vehicles or who use their own vehicles on business. That increases the cost to government when that tax goes up. It increases it to the private sector where that payment is made to individual employees as well. So we see that increase, 30% in this case, in transportation costs.

It discourages tourism. One of the industries which is often forgotten in this province for its significance is that

of tourism. The spinoff effect of having people visit Ontario and actually stay in Ontario is rather significant. They tend to spend millions upon millions of dollars in this province and I think that is good for this province. One of the complaints our American friends are heard to air with people on this side of the border is the cost of gasoline.

Every time the cost of gasoline goes up, it discourages people who come over here from spending any length of time in our province, where we have so much to offer. I think everybody in the Legislature would agree that we in Ontario have a lot of natural attributes that have been built by men and women in this province and they are worthy of a visit. Nevertheless, because of the costs, we are discouraging those visitors from coming here, leaving their dollars in Ontario and creating jobs.

We also have an increase in the cost of goods and services. Quite obviously if it costs more to transport goods around Ontario, that is going to be reflected in the ultimate cost of the product. It means that when we are trying to sell a Canadian product, it increases the cost compared to, for instance, the United States. Even when we are trying to sell products that have been imported but where there could be some direct benefits to those in our own stores, we find out that the cost has increased, again a compelling reason for not proceeding with this gas tax at this time.

We have heard the stories the past couple of weeks of various retail chains closing down. Some people may say, "I hear a lot of those are just stores for rich people to go and buy things." I have heard that argument made. While those people are spending dollars, that is filtering down through the economy to those who are making those products and are—

Mr Christopherson: Trickle-down theory.

Mr Bradley: Certainly. The member for Hamilton Centre does not believe in the trickle-down theory, that somehow when money is spent in stores it eventually makes its way, first of all, back into the coffers of the government and of course make its way into the hands of the employees of the store. I know they always have a term over there. If you explain these situations, these circumstances, they just dismiss it immediately. "Reaganomics," we hear, "supply-side." They do not understand all these things. That is what they say to us.

Yet we look at what is happening in the province and take a look at what we have in this province now. They should tell me that there is not some benefit to people being able to have more money in their hands to spend on consumer products to get this economy going. Not everybody works in the public sector. There are a lot of people out in the private sector, men and women, who have had jobs in the private sector and rely on them, whether it is the automotive industry, the steel industry, the garment industry or those who work in retail. Those people see that those jobs are either diminishing in terms of the hours they are working or are disappearing completely. It is easy to say, "Those were stores for rich women or rich men, or whoever it happened to be," but they all helped to provide employment in this province, so they cannot be dismissed.

I heard a couple of weeks ago—it snuck in; it did not get much attention in the House—that IBM was laying off 2,000 people in Canada. Some 80% of those people would be losing their jobs in Ontario, most of them in the Toronto area. It was not going to be a dramatic layoff immediately, but it was going to be largely by attrition. That sounds good, but members should talk about attrition to people who are in the labour union movement, because they see not only the jobs—it is actually more difficult for them to accept in many ways. When they see the jobs leaving immediately with some hope that they will come back in good times, that is one thing. When they see a company announcing that the jobs, yes, will be gone by attrition but will never return, that is of great concern for future generations and for people who are going to lose their present jobs. Also, I heard today that Xerox was announcing about 200 people being laid off after the Christmas season.

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All of these are matters of great concern. We have had Piper Aircraft, which has been looking to locate somewhere in the province of Ontario. The name Piper always strikes some kind of smile on the faces of some people in this House, but in this case there is a company which is looking to locate in Ontario. The government is correct, in my view, when it looks carefully at the proposals. One cannot simply say that because a company is knocking on the door that company should automatically be brought to the province under any conditions. But we should make them feel welcome. We should have a regime in which there are attractive taxes and attractive pieces of legislation and regulation and an absence of rhetoric and which encourages people to invest here with their money and not simply at the cost of the taxpayers of the province.

I heard a concern mentioned about leaded gas and unleaded gas. We have attempted to encourage in this province over the years, I think wisely, more people to consume unleaded gas than leaded gas. We know the effects of leaded gas environmentally, particularly on young children and their potential for learning and full development. I think a tax regime which sees a greater cost for leaded gas than unleaded gas is a wise one, but of course we want to keep the price of unleaded gasoline down in this province at this time.

One of the reasons the Treasurer would advance for needing this money is the huge deficit this province is incurring. I think anybody who suggests this government could avoid running a deficit in the midst of one of the deepest recessions is fooling no one if he says that. The government must run a deficit at this time. The question is, how large should that deficit be? People in opposition are obviously always going to be more critical in their rhetoric than those on the government side, but I have heard people say that somehow we have to balance the budget at this time. We are concerned about the size of the deficit because we recognize that to keep the economy going some expenditures by the government have to take place. We understand that revenues are not going to be as high and that there is some necessity to assist the economy.

I am not a believer in the fact that you can spend your way completely out of a recession, but I know there are

certain essential services that must be maintained no matter what. I know there are capital works that must be undertaken that can be helpful in generating economic activity, even when it is building logging roads, as the Minister of Natural Resources was in Algonquin Park. He had some money to build some logging roads in Algonquin Park and I know that was a public works project of which he is proud and the member for Victoria-Haliburton would be proud—

Hon Mr Wildman: And the member for Renfrew North.

Mr Bradley: —and the member for Renfrew North would certainly see as being beneficial. There are a number of those capital projects that have to be undertaken.

The concern we have, and I think one of the reasons the Treasurer has asked to have this tax implemented, and perhaps further taxes in a subsequent budget, is the fact that next year the projected deficit is approximately \$9 billion, the year after approximately \$9 billion and the year after approximately \$8 billion.

A lot of people might say: "In their first full year of office, in very difficult economic times, my gosh, \$9.7 billion is a lot of money, but okay, we understand the government doing that. We might not like it but we understand it." Where their concern comes in, I think with justification, is with the second, third and the fourth years, where we see huge deficit projections. If we could stimulate the economy appropriately, using appropriate fiscal and economic tools, then we would not require these kinds of tax increases, because when the economy is not functioning well and the government has to tax, it does not have the money it needs for even some of the services I am sure government members would consider essential. I think of the credit counselling services. If somebody said to me, "You've been an MPP for fourteen and a half years. Name five services in your community"—

Hon Ms Gigantes: How about the Golden Helmets?

Mr Bradley: I will come to the Golden Helmets in a little while.

Hon Ms Gigantes: I thought they were your priority.

Mr Bradley: They are significant. I know they would be significant to the member for Ottawa Centre because her leader is a great monarchist. I saw him with the royal couple. Someone in the press gallery—I think it was Eric Dowd, the dean of the press gallery—I do not know whether he said a blowtorch or a pneumatic drill, but he said it would take some instrument, I think a crowbar, to separate the Premier from the royal couple. I was pleased. I was pleased to see our Premier with the royal couple at the time, because I know that, first of all, he shies away from any photo opportunity with anybody who is popular. I can certainly understand that.

Interjection.

The Deputy Speaker: Order. The member for Algoma, if you want to heckle, you should do so from your seat.

Mr Bradley: It is interesting. I should not answer heckling, I know that. I see the Sergeant at Arms is back. We thought we were going to need him a while ago and he was not in the House, but I assure him that I am not going

to avail myself of his services, nor will the Speaker have to in this case.

What was interesting—no, I will not get into that subject, because it is off topic and the last time the member for Quinte mentioned it there was a hubbub on the government benches that caused too much disruption.

Hon Mrs Grier: He was not here to honour the Lieutenant Governor either this morning.

Mr Bradley: He was with the Monarchist League.

Now, on the credit counselling services we have in the province, if I could pick out—

Mr Cousens: We used to have.

Mr Bradley: We used to have.

Hon Mrs Grier: Where was the member for Quinte when the Lieutenant Governor was being installed?

Mr Bradley: Okay, I am going to have to respond now, of course. What is ironic—someone choose a better word for me. Is "hypocritical" allowed in the House?

No? The Speaker says it is not allowed, so I will not use it. I will not say how hypocritical it was to see the government benches full for a royal ceremony because that would be hypocritical and I would not want to say that.

What I want to get on to—the Minister of the Environment is trying to distract me from this because I think she knows that all her members feel this is a useful service—is talking about the credit counselling service. If somebody said, "Name five services in your community where you think an investment of government dollars, such as the dollars that would be derived from this tax increase, would be useful," I would say credit counselling services. I think the Speaker, in fact, has a personal, private bill that is related to this particular matter—the Speaker who is in the Chair, the member for Carleton East.

I have had letters from people with a variety of backgrounds: business people, volunteers for the credit counselling services and people from the trade union movement, the unemployed help centre in my area and the Canadian Auto Workers in my area. These are people who are sincerely writing to the minister and to other local members, kindly providing a copy of the letter for me, looking for this to be raised.

Along with the member for Niagara Falls and the member for St Catharines-Brock, I met with the credit counselling service in the St Catharines area. It was agreed at that time—I do not think I am giving away any secrets; I said it at the time, so I can repeat it. I said: "If the credit counselling service is gone, I will be up asking the question and talking about it. If it is going to be saved, you can get up with a statement and say how nice it is that the Minister of Community and Social Services saved it."

The fact is that it keeps a lot of people out of debt, it keeps a lot of people from going into bankruptcy. Mr Hamilton from the CAW in St Catharines, the recording secretary, mentioned—I am not quoting him directly—something I thought very appropriate. He said it was the best bang for the buck that a government could get out of its investment. He pointed out that, as a person in the trade union movement, he had referred a lot of people.

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I have referred a lot of people to the credit counselling services from my office, and they have really been helped. They have been able to maintain their self-esteem, they have avoided bankruptcy and they have been able to bring financial order back to themselves. In the midst of a recession, that is the kind of service that has to be retained.

I hope that before the session is out—or, if they want to, immediately after the session is out—the government members will persuade the Minister of Community and Social Services to provide that necessary funding. What happens when you are in such a financial hole is that good services like that tend to disappear. That is something people really require in a recession.

The other was the unemployed help centres themselves. In St Catharines the unemployed help centre was looking for some additional funding because it provides a lot of counselling for people. Not everybody in this world likes going to government offices. Our people in government and its various agencies try to provide a good service for people. They are usually friendly and open to them, but some people feel intimidated by government offices and prefer to go to a counselling service or at least to have a sympathetic ear at an unemployed help centre. In St Catharines they were unable to obtain what they felt would be an appropriate level of funding in the midst of a recession. That is unfortunate.

Something else I want to talk about, which I am going to just make a brief reference to, in terms of this tax and the kind of atmosphere it creates in the province of Ontario, is the very disturbing news today that came in on the wire from General Motors. When I talk later on, if we get to the bill, I want to talk about the tax on auto workers this government has implemented, modified a bit under pressure from the opposition and from some members of the trade union movement, who are on our side in this issue.

As members will recall, when I was asking the Premier and the Minister of Industry, Trade and Technology questions last week about the auto industry, I was not just pulling those out of midair. It was not just an exercise in futility or a chance to raise some false concerns about the province of Ontario. It was because of this. We have a situation in Oshawa where we could lose a tremendous number of jobs.

The Canadian Press story said: “‘General Motors has lost a major contract, which could result in a car assembly plant employing 3,700 closing by 1995,’ a union official said today. Tom Hoar, spokesman for the Canadian Auto Workers Union, said, ‘The contract to build the Buick Regal in Oshawa has gone to a GM plant in the United States. No decision has been made, however,’ said a GM spokesperson, ‘It is simply one person’s interpretation.’ Another says: ‘There has been on deadline set. On the other hand, the clock is ticking. The longer it takes, the weaker the position we’re in.’ Another GM spokesman, Stu Lowe, had said earlier that the decision on the plant’s future would be made next year.” I see a further statement. “‘I do not rate our chances as good,’ said the union plant chairman in this city just east of Toronto.”

What concerns me about the automotive industry is that it is in an unprecedented time of competition. I know the Premier mentioned a couple of plants where he thought there was some additional work coming here. What I am concerned about, first of all, is that offshore competition is certainly increasing the pressure on General Motors and Ford and Chrysler. I think General Motors sales this year, compared to last year, are down about 35%. That was a matter of great concern on a provincial basis, but on a personal basis in St Catharines.

I mentioned in this House that I live in a neighbourhood where most of the people work in auto plants or in plants that supply auto plants. These people are concerned today about the future of their industry. They work either in General Motors or Hayes-Dana or TRW or one of the plants that service them. They express concern. When they hear this story on CP, they will really be concerned about the possible loss of 3,700 jobs.

In St Catharines we have a component for a plant. We have plants on both sides of the canal. There is a considerable concern about the future, as there always is, of the engine plant and the foundry in St Catharines and even some of the other operations. Why? The concern is because General Motors, as the article goes on to say, “is going through a scaling down. GM has been losing enormous amounts of money in its US car-making operations”; its business “\$2.2 billion in the first nine months of this year. The Detroit statement said details of the plan would be released next Wednesday to employees.”

What it was talking about was a plan to restructure. Those members who have worked in plants or those members who have been involved in the trade union movement or who understand it know what restructuring means. It means ordinarily that they are going to scale down the number of jobs. They never like to use the words “layoff” or “firing” or “diminishing”—

Interjection.

Mr Bradley: The Speaker is saying, “How does this relate?” It is because of this tax that I am worried. I am concerned about that, as I think the government should be concerned. When I got to the Premier and to the Minister of Industry, Trade and Technology, I was genuinely worried that this was the kind of announcement we are going to be seeing over the next while.

So you ask, Mr Speaker, “What does this have to do with this tax?” This will keep me going for a little while. What it has to do with the tax is, as I said to the Premier in my question:

“Can you guarantee to the workers in St Catharines that at the end of your term as Premier, the end of the term of your government, that with your policies, with your legislation, with your regulations and with your rhetoric, four years from now those jobs are still going to be there for the workers in the plant and for the daughters and sons of those who reside in the community?”

That is my concern. I know the government is well-meaning. I do not think this government is malicious. Some people do. I do not think this government is out to get people, necessarily. They may want to even some

scores from years gone by, but I do not think there is a malicious attempt to lose jobs in this province. To suggest so would be unfair, inaccurate and foolish.

However, I do think that some of the policies being implemented, some of the legislation suggested, some of the regulations being brought about and the rhetoric of some in government is scaring business away. This tax is yet another component. The taxes that are brought about in this province, first, have an effect of dampening the enthusiasm of those who are already here for staying in Ontario and, second, certainly discouraging new investment in this province. There is no one in this House who wants to see any jobs leave and there is no one in this House who does not want to see more investment. It is a matter of how to get it.

It may be that the government will have to forgo some of its policies, tone down some of its rhetoric, postpone or eliminate some of its legislation and regulations to ensure that we have jobs in this province. As I mentioned earlier, I am not one who believes that you hand everything to the company. I heard some suggestions on some companies that want to come here. I can recall when the Ghermezian brothers were coming to Ontario and they were announcing the building of a huge mall. In essence, as I recall, they wanted to build it with taxpayers' money, not with their own. That is not what we can entertain in this province, but we must of course make sure they are welcome to at least invest their own money.

There are a couple of other problems that arise from this tax. One is I suspect that part of the money from this tax is going to go to the CCC committee, that is, the Consultation Central Co-ordinating Committee. Members will recall the secret document, a memo in the name of the chief government whip, which talked about how some of the money that would be derived from the gasoline tax would be spent. This is a government document.

It says here, "We need to finalize which ministries' consultations will go in big type in the ad." It is talking about the full-page ads; we are going to see those yet with the taxpayers' money. "We are going to have to get our message out. This is an opportunity to establish new support bases across Ontario." That is with the money derived from this tax, because the Speaker is always wanting to know how I relate that to this. It says, "We should use these consultations to maximize the government's profile," with the money to be derived from this and other taxes.

Of course, we saw the list of people who would be on this committee—so many of them. I did not mind the fact that they had non-partisan civil servants on it, people who ordinarily embark upon this consultation process, people who can be sure not to have the money there to favour any political party but rather the government as a whole, meaning the Legislature as a whole. Yet I saw originally Jill Marzetti, who sends out all kinds of letters to people for fund-raising and runs down business and so on, and there are a lot of other people on here who are NDP operatives. I do not mean that in a nasty way when I say "operatives." They are NDP assistants and so on who work for various ministers.

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Some would suggest that is a good patronage system. The member for Carleton said, for instance, that the person

he ran against ended up at Queen's Park before he did, before he was sworn in as a member, and all that with the money derived from the province of Ontario.

This is rather interesting when we get these full-page ads—

Hon Ms Gigantes: That wasn't accurate.

Mr Bradley: The member for Ottawa Centre says it isn't accurate. As I once said, I have never met a more partisan person and a person who is more unwilling to concede anything can be wrong with her government or her party in all my years in the Ontario Legislature. This in fact is a government memo that she says is inaccurate. That is interesting to hear.

Hon Ms Gigantes: No, I said your comment on the member for Carleton wasn't accurate.

Mr Bradley: I see. The honourable member is saying the member for Carleton got it wrong. Did the person not actually arrive here before the member for Carleton did?

Hon Ms Gigantes: Absolutely not.

The Deputy Speaker: We will hear your questions and comments afterwards.

Mr Bradley: I have never heard the member for Carleton misinform the House in my life, at least not this week.

The Conservatives put a question on the order paper. I give the Conservatives credit. They asked an order paper question—these are always interesting fishing trips: Would the Ministry of Energy provide a list of all consultants, commissions, etc, since the new government has been in power? One of the things I discovered in here was that it says: "Hill and Knowlton Canada Ltd (Decima) public opinion poll: \$60,890."

But what disappointed me most when I saw this tax implemented was that I always understood philosophically, ethically and morally that NDP members were opposed to polling. They used to be with us on the opposition side criticizing the Conservatives under Bill Davis. When I was here it was always Bill Davis, and Frank Miller for a short period of time, but they were very critical of the Conservative Party for polling. They said it was cynical. They criticize Brian Mulroney because they say he rules by polls. I do not know if that is true, but they say he follows public opinion polls very carefully.

Then when the Liberal government commissioned public opinion polls, the NDP said: "That was awful. They shouldn't be wasting money. They should know what the people want and they shouldn't have to spend that money, and besides, they shouldn't keep them secret." I thought at the time—I was sitting on the government side—"The NDP has a good point and if it ever gets to power, I know that it will not be doing this."

But what happens? We have a tax that is going to go partially to pay for public opinion polls in the province of Ontario—public opinion polls whose results are kept secret by the NDP government until they are out of date and then they are released to the Legislature. This a very cynical form of manipulation that I am sure most of the members who are elected on the other side would be opposed to. I hope they chastise the Premier, probably through a third

party, because they do not want to be fired from their jobs. Perhaps they will go to the member for Welland-Thorold, who is not afraid of the Premier, and ask him to chastise the Premier at the appropriate provincial council, wherever it is held in the province.

Hon Mr Pouliot: Are people afraid of you?

Mr Bradley: No one.

We have the health care spending in Ontario and we are saying, "Will this tax go to help health care in this province?" I well remember the now government House leader and others on the other side who talked about the lack of adequate funding for health care services in the province. Was it not awful when there was one bed shut down anywhere in the province? The NDP members would troop in people who had medical problems, sit them in the gallery, orchestrate them outside to the scrum to confront the minister and there would be a hullabaloo in this House and the environs.

Mr Conway: I liked the families of the deceased who were brought in.

Mr Bradley: There were even families of the deceased brought in as a political touch. However, what is happening now is that we are seeing those cutbacks. Despite this tax, we are seeing beds being closed all over Ontario. We are seeing waiting lists to receive services. We are seeing certain services that are being cut back and we are seeing some services that people now have to pay for.

Members would say, "Well, the government's simply facing some kind of reality." I guess what galls a lot of people is there was never a mention of that when that party was on this side of the House.

The Minister of the Environment was here earlier. She is always interested in all the debates in the House. I have to wonder right now if at least some of that tax is not being applied to rescue the Ministry of the Environment. I know what happens when the Treasurer comes in and the Chairman of the Management Board of Cabinet and the chair of now treasury board comes in and says: "Guess what? We are into a constraint." It is not a restraint; it is called a constraint. People in the civil service shudder because they know what is happening. They know that is freezing staff. They cannot buy equipment. They cannot proceed with this program and the minister of each department sits there and hopes the opposition does not know what is happening and will not ask questions.

One of the things that worries you on the government side is you always wonder if the opposition knows all of this. They usually do not, so you are off the hook in some cases.

The Minister of Transportation is here. I will touch on how the money derived from this tax perhaps is going to Transportation.

Hon Mr Pouliot: You wrote the book. You increased taxes 33 times when the going was good. They spent like drunken sailors, Mr Speaker, but at least drunken sailors spend their own money.

Mr Bradley: I have nothing against sailors. I think there are a number of sailors who previous to the remark by the member for Lake Nipigon used to support the New Democratic Party. I will not repeat what he called them,

but a certain kind of sailors who spend a lot of money, because I do not want to be unkind. It was just an interjection that he hoped nobody would hear.

Mr Conway: What about Sheila Copps repeating what Brian Mulroney said?

Mr Bradley: I would be reluctant because I know what happened in the federal House of Commons today. Apparently there was a bad word used. Nobody would use it except one opposition member who came out and repeated it in the hallway. I was red-faced simply sitting at the television set listening to it. I immediately flicked to another channel. I went to CNN and then I found that was no better, so I came back to the parliamentary channel, where the language is always appropriate.

I am worried about the Minister of the Environment—because I was Minister of the Environment—and her ability to do all the things she would like within the constraints the government applies. I can bet those regional offices and those district offices are stretched to the limit right now. I hope the economy gets going again so that she will be able—and the people of Ontario will benefit from it—to derive more funds by using something other than taxes but rather by stimulating the economy.

There is the Solicitor General.

Mr Pilkey: Good evening.

Mr Bradley: A good, cheerful chap he is. I am worried about the OPP as he departs.

Hon Ms Gigantes: Oh, tell us again about the Golden Helmets.

Mr Bradley: The member for Ottawa Centre wants me to mention the Golden Helmets. I know this government which needs money would perhaps be putting up the tax to pay for Golden Helmets. These are the ceremonial motorcycle people in the province who made your heart flutter and made the hair on the back of your neck stand up when they came down the main street of St Catharines in the grape and wine festival parade.

I looked out the window when the Lieutenant Governor was coming down University Avenue, longingly hoping to see the Golden Helmets and hearing the pipes and drums of the OPP; the pipes and drums I could not hear and the hum of the motorcycles of the Golden Helmets I could not hear.

It has gone beyond that. That is why I wonder if they are raising the tax to meet the needs of the OPP. We know some of the OPP officers, at the behest of the Premier or whomever over there, have been busy investigating members of the opposition to see where they got leaked documents. This, of course, I consider—the Premier does not agree—to be harassment and intimidation of the opposition and, probably more important, harassment and intimidation of public servants who believe it is in the interests of the province to have this information made available.

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I know that is what is happening, that there is not quite so much money to provide the necessary services, the Reduce Impaired Driving Everywhere program, investigations of crime and accidents, because this government has spent money on other things, because it will not get the economy

going, because people will not invest, because of taxes like this tax.

I am very proud of the OPP in this province and the various local police forces. We see crime increasing and the need for their services but we see their budget diminishing. It is diminishing while the government has money to spend on polls to tell it what it thinks and for consultation committees which are designed to promote and enhance the profile of this government. That is exceedingly unfortunate and I think the people in the hinterlands understand that—the hinterlands being somewhere other than Toronto.

I have another one: When this tax came about, I was wondering if they were going to spend the money on the orderly move of the Ministry of Transportation to St Catharines, as promised by the previous government, the promise confirmed by the honourable Minister of Health when she was Chairman of Management Board. Many people in St Catharines are afraid the NDP will renege on this promise, that because of pressure from a number of sources they are going to keep it in Toronto, that this promise will be broken, that if we see anybody coming to St Catharines it will be a third of the jobs.

I still hope—and the Minister of Transportation is here—they will see fit to transfer that to St Catharines, where we are losing jobs from other sectors, jobs that are subject to the ups and downs of the economy and to restructuring, and that we will have that in St Catharines, as so many people have worked for. Our mayor, in his statement to people welcoming them to St Catharines, refers to us as the transportation capital of the province. Just as I know Revenue was happy to go to Oshawa and OHIP was happy to go to Kingston and that has been beneficial to both communities, and Revenue Canada was happy to move to Sudbury on the federal scene, I think they will be welcome in St Catharines and it is important that we have it in St Catharines, hopefully in the downtown area.

I thought of something else this money might be spent for. That was the community college system. An interesting thing happened, and it is happening all over now; that is why I am quite amused at it. The chairman of the Council of Regents, the former member for Scarborough West, Richard Johnston, appeared before the standing committee on finance and economic affairs. In years gone by, when people appeared they always needed a 10%, 12%, 14% or 16% increase. Mr Johnston was a critic in the field of education previously, and lo and behold he came before the committee and suggested that they could make do with 2% this year. I would like to hear how many desks were rumbling right across the province. Our friend Paddy Musson would not be amused with this particular move on the part of Richard Johnston, coming forward to the committee and saying the community college system could make do with 2%.

How ironic that he would be saying that at this time, yet interestingly enough, where members opposite are fortunate is that a lot of the activists in various organizations that wanted tons of money out of Conservative and Liberal governments are now muted in their criticism. My plea to them is, "Will you represent your constituency first and your own political views second?" It is a little hard to take,

when the same people who used to come before Liberal and Conservative governments with fire in their eyes now come with putty in their hands as they apologize for the NDP first instead of representing the organization they represented so well in the past.

Now, there are many who will not do that. I have faith that some of those people will say, "I'll check my NDP card at the door and I will represent the particular group in which I have an interest first and my NDP second." Notice I do not say "NDP party." Only when I want to annoy government members do I say it, because they hate that. But I know NDP stands for New Democratic Party, a party which I happen to believe in 1991 is neither new nor democratic. However, that is another speech.

I will be looking up into the gallery when the announcements are made for the transfer payments that will come from this tax. I see Malcolm Buchanan, my good friend, up there saying whether he is satisfied with the increase, and Jim Head of the Ontario Secondary School Teachers' Federation, Fred Upshaw, Larry French, a number of people who over the years have made representations, and admirably, on behalf of the groups they were elected by. I will be pleased to see what the reaction is to what the government is prepared to offer, and compare that to the reaction of some 6%, 7% and 8% that was provided in years gone by. I will be looking forward to reading that in the publications I receive, because I have many friends in the teaching profession.

I wanted to leave some time for the members for Wellington and Dufferin-Peel and the member for Renfrew North, who I know will have a considerable intervention on this particular issue. I will let him discuss the price of gasoline overall. I could imagine this, as my windup. I could imagine the Minister of Energy in the good old days in the union halls of Kitchener-Waterloo. I could probably hear him from here yelling at the top of his voice and criticizing Liberal and Conservative governments for allowing the price of gasoline to go so high. But with the price of gasoline being so high in this province, with the gasoline companies having their own way completely, one of our members—or I did; I forget which—asked the member for Peterborough a question about gasoline prices and it was the same briefing notes as the last minister, the minister before, the minister before and the minister before.

I could remember in my last incarnation in this House in opposition asking the question and getting the same answer, "We are monitoring the prices and it is competitive pricing," and all the excuses. I would have thought, with all the rhetoric I heard over the years, that the NDP would not be in the pockets of the oil companies of this province, but I can draw no other conclusion because on civic holiday weekend the prices jump to 58 cents a litre. It is always 58.6, and there is real competition because across the street it will be 58.5. It appears there is price fixing. Together they raise the prices. They have them high in certain parts of the province—the member for Renfrew North will talk about that—yet this government says, "We're monitoring the situation and you have to understand that we have competitive pricing in this province."

This tax is only going to increase that price for people in Ontario, and I hope in the dying days of this House in December, with new and great thoughts of 1992 coming in the minds of government members, that there will be a collective revolt and they will persuade the Treasurer and the person who runs this province, the Premier, to withdraw this tax, which will be so detrimental to Ontario and its people.

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Mr Tilson: The member for St Catharines spent considerable time on the effect on the economy of this tax in relationship to the United States. It brings to mind the analogy of an American in a motor home travelling from the United States to Canada and the shock he must have when he arrives across the border, fills up his tank, buys a case of beer, buys a package of cigarettes. They will turn around and go back home again.

At the same time, I imagine a Canadian in a similar type of motor home going to the United States, across the border, filling up his tank, buying a case of beer, buying a package of cigarettes, and the effect this is going to have on him. This could be spread out to the transportation industry. We have heard all the effects of the previous tax bill with respect to the problems in the transportation industry, but it has an effect on this as well.

The member for St Catharines is quite correct about the effect it is having on tourism, the effect it is having on the entertainment business, the effect it is having on hotels, the effect it is having on restaurants, the effect it is having on business in general—business closing down, business going bankrupt—the effect it is having on loss of jobs and yes indeed, the effect it is having on the automotive industry in this province. The comments of the member for St Catharines should be noted by the government, because this tax bill does have a wide-ranging effect on all aspects of our economy and is certainly part of the cause of much of the unemployment, many of the bankruptcies and many of the other terrible things that have happened to our economy in this province.

Mr Drainville: It is a pleasure to stand in my place and speak to the comments of the honourable member for St Catharines and also those that have just been made by the member for Dufferin-Peel.

It seems to me there is no question that a decision has to be made on the part of any government that serves in this province or any other place in Canada as to the direction and the priorities it needs to set. It has been stated by people across the floor in this House that the tax increases that have been introduced by this government have been exorbitant, that they have been tax grabs, that they have been unfair, perhaps even punitive, to the people of Ontario.

What I want to say—I believe they understood this when they were in the Treasury benches—is that the reality of Ontario in this deep recession is that we have very hard decisions to make. One of the decisions we have to make is that we have to continue to support social assistance and education and hospitalization and all the other things we have in this country. It does cost tax money to keep those things going. If people say we have to cut taxes even more,

then how are we going to maintain those services? I do not know how we are going to do that.

The honourable member for St Catharines extolled the virtues of the trickle-down theory. The trickle-down theory would be fine if it were not for the sponges at the top. That is precisely the problem we have. In the trickle-down theory, all too often it is the people at the top who end up benefiting, and not the people who happen to be low-income or poor.

What we are trying to do, in the budget we presented last spring, in these tax increases, in the very direction the government is taking, is to try to maintain some equality in these issues so we get the taxes to do the work we need to do, that the people of the province expect us to do.

The Acting Speaker (Mr Villeneuve): Further questions and/or comments? Seeing none, the honourable member for St Catharines has two minutes in response.

Mr Bradley: I appreciate those two minutes to first thank the member for Dufferin-Peel for his comments. I thought that was a good illustration, because a lot of people do travel and a lot of people do own those kinds of vehicles. The example he gave is an example of why people who go to the United States for tourist purposes will not come here and those considerable costs. If those costs were not there, we would have more people here spending more money.

To the member for Victoria-Haliburton, I think everybody recognizes that there are a number of services we want to maintain in the province of Ontario. Perhaps there are those who believe that the trickle-down theory does not work, and I would not want to suggest that the amount that starts at the top makes it to the bottom, but a considerable amount does make it to the bottom. In addition to that, the fact that we have lower taxes attracts more economic activity. In other words, more investment is retained, more investment comes in, you have more economic activity in the province and, as a result, we do not have to raise taxes as much.

I am not one—he knows, he has listened in the House—who recommends that the government slash essential services. I happen to believe they should have. They would not perhaps have needed this tax if, when they first came into power, they had gone ministry to ministry very toughly and asked what programs are needed, what programs are not needed, what can be postponed, and they had not done that, of course. If they are now doing that, I commend them, but almost \$10 billion later we find out that the exercise was not embarked upon early enough.

Perhaps they will learn some lessons. Where there is life there is hope. By gosh, that is all we have in this province now.

Mr Tilson: I rise today on the subject of the gasoline tax. I look at it from a perspective specifically from my own riding, but I think that that perspective could be compared to other ridings around this province.

I took the trouble to call the two main municipalities of my riding—one, the county of Dufferin, and the other the town of Caledon—to talk to them about the number or people who commute from their respective municipalities to other areas of the province. The reason I did that, of

course, was to talk about the reliance of these people on travelling for their jobs and for everything else, I suppose their entertainment, but mainly their jobs—the way in which they make their money. And there are some interesting figures. I am going to refer to some of these figures that were given to me. I do not have specific details, only information that was given to me by a fax machine, but I think the facts are accurate. I was assured that they were reasonably accurate by the two municipalities, and I think that those types of figures could be compared to other municipalities around this province.

Taking specifically, first of all, the town of Caledon. The town of Caledon has an existing population of 33,726. I am not sure at what date this is, but for the sake of argument at least those are reasonably close figures. I am told by the town officials that approximately 45% of the town's labour force is employed outside the municipality. That is a substantial number of people that rely on the automobile and other means of transportation to move from the town of Caledon to their place of employment.

The report goes on: Given an estimated average occupancy of 1.15 persons per vehicle, the number of vehicles originating from Caledon is approximately 6,730 vehicles. That is a substantial number, realizing the magnitude of the impact this tax is going to have on all of these people specifically in the town of Caledon. Therefore, and I was assured that these are estimates only, 6,730 vehicles commute from Caledon to other destinations within the GTA for employment purposes, so that is the effect that this 3.4-cent-per-litre tax is going to have on the people of the town of Caledon.

Similarly, with respect to Dufferin county—they were using the 1986 census figures, and I am sure it has increased somewhat since then—I was informed by the county officials in the county of Dufferin that Dufferin county had over 17,000 over 15 years of age in the labour force when the county population, and this would be 1986 figures, was 34,000. So with a present county population of 38,776 in 1991, it would be reasonable to expect, at least from the county officials' perspective, that the labour force in 1991 would be about 19,000 people. They show different statistics, and I am sure these are available to anyone, on the distribution as to the type of employment and the distribution of the labour force by industry or trade. I am not going to get into that, but it does have similar figures.

The purpose of my raising this point is to illustrate the number of people who commute riding from my riding to Peel region, Metro Toronto or York region, for various reasons. Presumably that is where the jobs are, or it may be a little bit cheaper to live in these areas than in the high-priced real estate that is in the larger municipal areas. There are various reasons why people live in my riding. I will not get into that other than to emphasize that these people do require the automobile and other means of transportation such as that to commute.

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So the data given to me relating to commuting patterns show that 1,214 people live outside the county but travel to jobs inside the county. Caledon did not give me that

information, but I am sure that exists as well, that people who are outside the county come into our county or into the town of Caledon to their place of employment. So that is another consideration, that every day this number of people are using the automobile. This is just in a riding such as mine, which is a semi-rural, semi-urban type of community, and many other members have a similar type of riding, but that happens all the time, that happens every day, in some cases seven days a week, as it appears, for the month of December at least.

The figures given to me were that 10,341 people live and work in the county of Dufferin. I am told that 5,328 people live inside the county but travel to jobs outside the county, so that where these people come from, of the 5,328 Dufferinites leaving the county for work, 2,493, or 47%, come from Orangeville, and 933, or 18%, come from Mono township. Where do they go? The statistics say that 61% of these people who leave Orangeville and Mono township work in Peel region, Metro Toronto or York region. So that is the pattern of the people who live in my riding and the necessity of transportation in travelling to and from work.

I am certain they use the motor vehicle or automobile for other purposes, as I have indicated, for transportation coming to Toronto or coming to other urban areas. This type of pattern goes on all across this province. So this is going to have a considerable effect on their way of life. There is no question it is a tax, but it is an indirect tax in that it is affecting their employment. It is affecting the overall paycheque that the workers are bringing home to pay for their homes and their food and everything else they require.

It is almost a discriminatory type of tax, specifically for people in areas outside Metro, who commute from outside Metro, because it affects these people in ridings such as mine perhaps more on a day-to-day basis than it does people living directly in the municipalities that may rely on the TTC or who drive for short periods of time. So I submit that the government has not considered that factor when it looks at imposing this tax, which has been analysed in every which way possible today and on previous days. So the second submission I make is that it is a discriminatory tax to people who live in my riding of Dufferin-Peel.

Mention has been made throughout this debate as to what this tax is. I would like to spend some time, just so that we are quite clear, on exactly what this tax is going to do. We know when the budget was put forward back in April there was an automatic 1.7-cent-a-litre tax increase. That was from 11.3 cents, which is the increase on unleaded gasoline tax to 13 cents, and that of course was effective April 30. It is another cute way of the government saying the first stage is only 1.7 cents, which is April 30. But the second stage, which is going to be in a few short weeks, January 1, will be another 1.7 cents, which will be a total of 3.4 cents per litre. That just adds to the recession, adds to the difficulties that people in my riding and in other ridings across this province are having in commuting to and from work. It affects the commuter very seriously and I think the government should consider that factor before it implements the latter stage of this tax. The increases in this tax rate on leaded gasoline, as I under-

stand it, will push the rate to 16 cents and to 17.7 cents in January 1992.

As well, this tax bill will increase the aviation fuel tax by 0.3 cents a litre from 2.1 cents to 2.4 cents effective back in April and by an additional 0.3 cents a litre to 2.7 cents a litre effective January 2, 1992. So it is going to affect aviation and it is going to affect other means of transportation in this province. We heard the member for Ottawa East mentioning he had to catch a plane tonight. It is going to affect people like that who rely on the aeroplane to travel for whatever purpose, for business across this province and across this country. It is going to affect people in this House. It is going to affect the overall cost of corporations. It is going to affect the overall cost of just operating our economy.

I do plan to get in as to what we are going to do with this money. It is clearly a tax grab, contrary to one of the debates earlier from the members opposite. It is a tax grab because no logical reason has been given, other than to increase the coffers for the various programs being put forward by this government.

Clearly, this gasoline rate represents an increase of 56.6% relative to the gasoline rate of 8.3 cents a litre in effect when the Progressive Conservative government left office. That is a substantial increase in a fairly short period of time. That should be analysed. It is fine to say, "In the bad old days of the Tories," but that is what has happened since the Progressive Conservatives left office, a 56.6% increase with respect to gasoline.

That is a tremendous increase when we look at how our society operates, when we look at the fact that our society relies on the commuter way of life of travelling to and from vast distances, across the north, across the east, across the west. I have mentioned the statistics in my riding showing how people rely on commuter travelling. They rely on the automobile. They rely on the aeroplane.

The rate increases from April 30, as I indicated in one of my responses to one of the members, will raise an additional \$205 million in this fiscal year, and once the additional 1.7 cents comes on in a few weeks will raise an additional \$410 million in a full year. That is a substantial amount of money.

The question is, and I repeat as I have in the responses, I have made it several times in responses to various members: What is the government going to do with it? What is the government going to do with respect to finding alternative ways of transportation? We have talked of the problems of GO.

My riding, for example, does not have a GO system. I have been raising the issue in this House on a constant basis trying to encourage the Minister of Transportation, the present minister and his predecessor, to encourage GO to come to our riding. My riding is the Bermuda triangle of Ontario. All around my riding there is a GO system. Certainly, the statistics warrant a GO system coming to my riding. There is a small GO system that comes to the Bolton-Palgrave area, but there is none to the Caledon Village or the Orangeville area.

Yet, the government raises the taxes, it raises the cost to the commuter who has to travel substantial distances

from my riding to other areas of Metro and Brampton to their place of employment, and it will not provide a GO system. The ministry says the figures do not warrant it for various reasons. Well, they do warrant it. The figures are there.

Aside from that, our highways are deteriorating. The highways in my riding are deteriorating. What is the \$410 million going to do? Is the government going to repair the highways? Is it going to build new highways? Is it going to consider new alternative ways of transportation? There are all kinds of things that could be done in that area. But all the government is doing is raising taxes.

2130

Indeed, I challenge the member. I hope he does rise to the challenge again and challenge me on the issue of a tax grab, because I would like to hear specifics as to what the government is going to do with that money. It is going to put it in the pot to perform all its services, but it is not going to have anything to do with transportation—very little, unless the government can give me some specifics. That is the problem that we have with the commuter, because the government is hurting the commuter of this province.

The other issue that is raised is that Ontario's current—and I am going to repeat a comment that was made in one of my responses, but it is an important fact to repeat—unleaded gasoline rate is the third-highest in Canada, ranking behind only Quebec's 14.0 cents and Newfoundland's 13.7 cents. In January, with the addition of the 1.7-cent tax, Ontario's unleaded gasoline tax rate will be the highest in Canada, astounding for a province that is supposed to lead this country in the economy of this country. That is what the government is doing. It is hurting the commuter and it is hurting people in Dufferin-Peel and it is hurting people and commuters in other areas of this great province.

The member for St Catharines did quite rightly say that we are trying to discourage the use of leaded gasoline because of the problems that it causes to our environment, but still, the comparison is there as far as the philosophy of this government is concerned that Ontario's unleaded gasoline rate is the highest in Canada—the highest in Canada for leaded gasoline and the highest in Canada, as of January 1, for unleaded gasoline. That is what the commuter in the province of Ontario is going to have as a result.

Members of this House in this debate have spent considerable time on the great exodus of business from this province to the United States and outside the province. There is no question the heckles will come forward, "Oh, it's the GST and it's free trade" and it is all of that sort of business. But I can tell members the issue of the gasoline tax, the issue of transportation, is a major effect. This has been submitted by small business, by large business, by unions, by everyone involved in the commercial field in this province as to the effect that it is having. We have given a simple example of the tourist in the motor home going whichever way across the border and the effect that it has on the economy of this province.

I can tell you, Mr Speaker, the statistics have been presented fairly recently from the Canadian Federation of Independent Business, which did a survey. The government does appear to be into polls and surveys; there are other surveys that are going on. This survey was published

in the *Financial Post* on October 4. It showed the various businesses that are thinking of moving out from across this province, moving to the United States. Manufacturing and transportation and communications are at the top of the list, a substantial difference from others. They go through the entire commercial sector, whether it be retail, finance, services, wholesale, construction, primary. But transportation is up there.

I submit to you, Mr Speaker, from the statistics that came forward in this survey, that this has an effect on the anticipated concern of the gasoline tax that we already have implemented as of April 30 and the new one that is going to continue on January 1, 1992.

It was reported in the *Financial Post* that more than a third of Ontario's small and medium-sized businesses are thinking about leaving the province because of the policies of its New Democratic government. This is, of course, a survey that was commissioned by the Canadian Federation of Independent Business. There is no question that this reason goes into other areas, and the survey admits that. But it certainly involves the gasoline tax.

The message was followed by the results of this federation survey that said that as many as 500,000 jobs could be in danger in this province. They talk about more than 85% of the 3,539 businesses surveyed saying that the Ontario business climate is unfavourable, with a majority citing taxes, the provincial budget and apparent government bias against business and the proposed labour legislation as major reasons. Those were the reasons this potential 500,000 job loss could result in this province.

So there is no question they are concerned with the proposed labour legislation, they are concerned with the anti-business bias that occurs with this government, but they are also concerned with the majority citing taxes. All of these tax bills that have been coming forward in this House in which the—

Interjection.

Mr Tilson: I know it annoys the government members for us to go on but it is our obligation to do that to show to them the effect it is having on the economy of this province.

The survey followed a report by the Association of Provincial Research Organizations that small and medium-sized enterprises have been the generators of almost all new net jobs in Canada in recent years, and small firms are being hit worst by the recession. The report recommended that the small business sector be targeted as a crucial part of a national strategy to reduce unemployment.

Unemployment is a consideration that develops from this tax, and I do not know whether the government considered that. I doubt if they did. In fact, from all indications, they did not; they simply said, well, we will tax booze, we will tax cigarettes, we will tax gasoline, all the different types of fuel taxes. That is where they are getting their funds which, in turn, when you consider the downturn of these businesses businesses going bankrupt or leaving the province, is one of the causes for the downturn in revenue, for the decline in revenue. If these businesses are performing less work, they are going to be providing less revenue for the government.

From this tax bill that is about to be put forward with respect to the gasoline tax, my guess is that the anticipated revenue will not count because of the downturn in the economy. If one adds up all of these factors, they are going to be out.

They said they were not accurate with respect to the transfer payments that were coming from the federal government. Of course they were not, because revenue is down all across this great country and revenue is down in this province, and part of it is because of the gasoline tax.

Catherine Swift, vice-president and chief economist of the Canadian Federation of Independent Business said in this press release that even if we were to have 10 to 20 per cent who act on their intentions, what we are looking for is tens of thousands and potentially hundreds of thousands of jobs out of the province and that is not just small business.

I think that when the government is considering this series of tax bills, and I think it has to look at them as a package as to how they are going to affect the economy of this province, it should look at these surveys. They may have their own, and I suspect that they have, because obviously we are finding that they are spending a considerable amount of money, much of which is planning, and they are probably planning on using, as the member for St Catharines said—I suspect that much of the funds to be paid to these consultants and surveyors and pollsters will come from this very tax. That is where it will come from to assist them, and we may never see the results of those polls.

At least this independent business group is providing one poll that says that 85% said that Ontario's political climate is unfavourable for business, and it is because of such taxes as the gasoline tax.

There are other areas that we need to address our concerns with, and one is the issue of bankruptcy. Why do firms go bankrupt? It is obviously a combination of reasons. Statistics seem to be coming forward that one of the reasons is because of our tax system and the lack of competitiveness that we are having in trying to keep up with the Americans. The Americans are able to do things cheaper. They are providing cheaper labour, they are providing cheaper transportation costs, they are providing a whole slew of cheaper ways of doing things. Yet this government, with its tax structure which includes the gasoline tax, is making it very difficult for businesses in this province to compete and, therefore, they are going bankrupt and the statistics are very alarming.

You can pick up newspaper reports at random that talk about the bankruptcies that are going on in this province. At random I did pick one, from the *Toronto Sun* on November 28, which listed the situation of bankruptcies. Now, I know you do not like me to read, Mr Speaker, but I am going to read some of these facts, because the article considers facts which I think we need to consider when we are looking at this bill.

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This is an article which came from the business editor of the *Toronto Sun*, Linda Leatherdale, who said, "Meanwhile, bankruptcies continue to climb to record highs with personal bankruptcies in Toronto soaring to 965 consumers last month"—which would be October—"compared to

737 during the same period last year, and 109 businesses throwing in the towel, unchanged from October 1990." That is a substantial number of businesses that are going bankrupt, and they are going to be tying into these tax structures because they are having difficulty operating.

The article by Ms Leatherdale continues, "In Ontario, consumer bankruptcies soared to 2,467 last month, up from 1,896 during October 1990, while business bankruptcies were down a bit to 315 from 334," although still a substantial number of bankruptcies. That is a total, according to this article at least, of 21,617 consumer bankruptcies and 3,007 business bankruptcies in Ontario so far this year. That is triple those of 1990. So something is wrong, something is wrong. Part of it is the tax structure and the policies of this government that are causing great unrest and fear in this province.

The article continues, "At the same time, the penny-pinching NDP cut its \$2 million funding for the non-profit, free credit counselling service"—and that, of course, was mentioned by the member for St Catharines—"a last-ditch agency for desperate consumers who, in good faith, want to pay their bills and not declare bankruptcy." Is not that an amazing policy, that on the one hand we have people trying to avoid going bankrupt and the government cuts it.

The article continues: "Duke Stregger, executive director of the Credit Counselling Service of Metro Toronto, says to try to save this valuable service, the agency will now try to use a floating fee schedule, 'but if people can't pay, we'll still see them.' If the fee effort fails, the agency that operates province-wide could close its doors in March, throwing more beleaguered consumers into the mouths of loan brokers who charge hefty fees up front for only promising to present loan applications to lenders."

The whole system is grinding slower and slower, and this tax is part of the clog in the wheel that is making the wheel move slower and slower as far as our economy is concerned. We are not pulling out of this recession in the province of Ontario. There have been predictions that Ontario may be the last province to pull out of this recession, and part of it is because of tax policies that are being put forward such as the gasoline tax.

Some of the members may read a periodical that comes forward occasionally called the Fraser Forum. I glance at it periodically, and it did deal specifically with this tax. It talked about the budget and justifying the budget and it talked about a number of things.

There should be other alternatives if you are looking—part of the strategy may be, "Well, maybe we'll be getting into something with respect to pollution, you know, and maybe we'll be stopping people from travelling." Well, you read articles such as this and I can tell members that people need to commute, they need to travel to their places of employment.

I would like to refer very briefly to a section in this article which talks about the budget and the concern that this article has here. This is from the Fraser Forum, and it is on page 7 with respect to the province of Ontario under the item "The Budget":

"Spending increased by 13.4%, to \$52 billion and counting, and is projected to rise to \$65 billion by 1995.

Deficit of \$9.7 billion, over 20% of revenue (about \$43 billion), no awareness of necessity of tax increases to pay back borrowed money. It is based on clearly obsolete Keynesianism. Deficit is three times record level and deficits will continue through 1995 to dwarf all previous ones—projected four-year total over \$34 billion. Will lead to massive increase in provincial debt which in turn will consume tax revenues in future, limiting the ability of the government to pay for anything, let alone new programs.

They recommended a balanced budget.

Interestingly enough, they give grades through this of the various policies that are being put forward.

An hon member: What was the grade?

Mr Tilson: The member asked me what the grade was. The grade was an F.

That is what the Fraser Forum thinks of this government and its financial policies.

A couple of other items that I guess I would like to refer to very briefly have to do with the spending in this province—the spending that has been raised by the member for Durham East. He simply asks: "We have all these programs that we are going to put forward. How are we going to pay for them?" I cannot believe he asked the question. My understanding is that we do not get into programs, particularly in times of recession, unless we can figure out a way of paying for them.

We saw what the Liberals did in the federal government. The Liberals in the federal government in the 1970s raised the debt in this country to such an extensive rate that interest on our dollar was somewhere between 33% and 34% on interest alone.

How in the world are we going to pay this deficit down? Is it going to be like the federal government? Are we going to get to the situation of the federal government? It was not created by the Conservatives, which is a favourite argument. It was created by the Liberal government in Ottawa. The fact is, it was created. It is the same type of policy that their government is putting forward. They are rasing the deficit. It is going up and up and up.

I would just like to refer to some statistics which have been referred to previously in the House but should be emphasized. The deficit tripled to \$9.7 billion as a result of this budget. That is an increase of 219%. That is the economic philosophy of their government. Again, when I am giving them these figures, they should remember to ask the question: How are we going to pay it off? Are we going to be like the Liberals and just let it go up until the interest payments get higher and higher and we do not know what to do? This is the largest provincial deficit in Canadian history that has ever been created. It will cost Ontario taxpayers \$13,684,931.50 a day for interest payments. That is \$507,205 an hour. That is what this deficit is going to cost. That is what they are doing to this province.

There is no question that the NDP's policy is certainly eroding Ontario's competitiveness. This tax bill is a typical example. People who want to invest in this province come here. They look at the type of labour laws we have. They look at the type of tax laws we have. They look at the labour costs we have. What are they going to do? I will tell

them. They are afraid to come and invest because of the policies that seem to be developing in this province.

The NDP's budget economic outlook predicts unemployment levels will drop by 184,000 in 1991. The NDP budget boosts provincial spending 13.4% for government operating expenditures, and that has increased over \$5 billion from last year. The NDP budget brings business tax rates up to 30% higher than those for similar companies in Quebec and in New York state. That is the competitiveness that they are creating. Their tax rates are higher than in any other jurisdictions in North America. Ontario has been losing \$360 million a year in retail spending due to cross-border shopping and the NDP government's budget makes the situation even worse.

The \$1-billion hike in tax rates which comes from their budget is something that is giving investors from outside this province a great deal of concern about whether they are going to come and invest in this province. Their government will be spending, as I understand it, \$52.76 billion in its 1991-92 fiscal year. That is up, as I have indicated, 13.4%. At the same time, revenue is dropping. Statistics earlier in the year indicated that this would be dropping 1% to \$43.03 billion from \$43.47 billion in 1990-91. In other words, the revenue is dropping; there is a loss.

2150

The question that could be asked, of course, is how realistic it is for a government to expect its revenues to fall only 1% when the province has lost about 250,000 jobs across this province. Bankruptcies are running, as indicated in the article of Ms Leatherdale, at an all-time high and the overall economy is shrinking a lot more than 1%, so I have no idea where the Treasurer comes up with that type of calculation.

With the initial 1.7 cents already in place that came into place as a result of the budget, which will take place as of April 30 of this year, Ontario's motorists will be facing prices of nearly 60 cents a litre, and that is outside the price war areas. That is not much less than the peak prices encountered during the Iraqi invasion of Kuwait.

In the United States, meanwhile, it is a different story. Gasoline has returned to about \$1 a gallon in urban areas and it is expected we will read of price wars where they will be driving the cost down to 90 cents a gallon or less. Compare that to what is going on in Ontario, much of it because of the government's tax. It is difficult to translate the figures, of course, of gallons to litres in this country, but as I understand it a good rule of thumb is that a US gallon is slightly less than four litres. In other words, a pump price of \$1 a gallon is roughly 26 cents a litre in US funds or about 30 Canadian cents. That is a substantial difference, so it is no wonder the motor home which travels from Canada to the United States is going to travel. They are not going to stay in Ontario; they are going to go down and spend their time in the United States. That is where they are going to spend their vacations.

This bill, as I have indicated in the response to the member for St Catharines and others, will certainly drive away American tourists while encouraging our own residents to spend their holidays south of the border. That is an issue that must be considered, because statistics are on the

increase as to how the tourism industry is affected because of this bill.

The most annoying aspect of this budget is the absence of even a hint of concern on the government's part that the public may not be getting value for its money. That is a question that is asked by all of our constituents: "Our taxes are going up, every sort of tax. We are being taxed to the hilt. What are we getting for our money?" Members should ask themselves what we are getting for our money. Despite enormous tax increases over the last decade, our highways, our schools and health systems have all seemingly reached a state of maturity that in many instances borders on neglect. I get back to the issue of roads specifically and our health system. A third of our budget is for health. Shocking as to the value that we are getting for our money, for our tax dollar, which is on the increase.

So members opposite can see they need to get into new programs, but I would suggest this government consider whether it can afford it. How much can the taxpayer bear? Some member even had the gall to say that we enjoy paying taxes because of the services we are providing. I could not believe my ears. I could not believe it. The only area where we can see improvement is in the living standards of the provincial bureaucrats. There is no question if members look at the facts, specifically recently by this government, that is one area where we have improved as a result of our increase in taxes.

We should be looking for ways to shrink a bloated civil service at every level, but no, that is not what we are doing. Is there any reason why we should have as many government employees relative to the total population as we did 50 years ago? I believe we have at least 10 times as many in 1991. As one small case in point, what evidence is there that replacement of the complex and bureaucratic system of health insurance premiums by a simple payroll tax led to the overall reduction in staffing within the Ontario Ministry of Health? I know you are allowing me to vary substantially from the tax before us, Mr Speaker, but we have to look at the philosophy of why the government does things. Again, when we compare the philosophy of this government in putting forward such taxes as the payroll tax, we ask the same question with respect to the gasoline tax.

I have mentioned somewhat the issue of tourism. There have been statistics that talk specifically of how tourism is down 7% in 1991. There are statistics that came forward I believe it was a month ago. I have an article from the Toronto Star of November 21. It was by Donna Jean MacKinnon of the Toronto Star and it states, "Although tourism slumped this year, the province believes the industry is a powerful tool for economic renewal and job creation, Tourism Minister Peter North says."

Is that not an amazing statement when we have the Tourism minister talking about the \$16-billion industry facing economic challenges in the 1990s, and look what is happening. The minister says one thing and yet just simply look at what is going on in the restaurants in this province. Restaurants that normally were full in the summer, particularly in the border areas, are no longer full. They are having difficulties operating. The hotels are having a great deal of difficulty operating because of either tourists not

coming from the United States or tourists who are coming from Canada passing by these hotels and going on to the United States.

This article by Ms MacKinnon also states, "Pleasure travel has declined an estimated 7% in 1991, according to the Canadian Tourism Research Institute." That is in spite of the minister making his statements.

According to surveys, "Canadians are preferring to travel outside the country. Domestic travel increased 1.5% in Ontario between 1988 and 1990 while trips by Canadians to destinations outside Canada increased 24%."

Mr Speaker, you cannot tell me that is not because of this regressive gasoline tax. Certainly one of the reasons why people will travel outside this province is because it is too expensive to travel here. It is too expensive and it has other effects in other areas of our industry.

Hon Mr Wildman: If you keep talking that way, you'll scare away the tourists.

Mr Tilson: They are already scared. The minister says tourists are going to be scared away. They are scared now because of the government's economic policies.

There are other areas that have been raised by members in this House during the debate, and one is the cross-border problem. It is interesting as to what this government is not doing to many of the cross-border communities as a result of people who are travelling through their communities and on into the United States. There is no question, these communities are telling us—the mayors, reeves, aldermen and councillors from across this province who live on the border—that one of the things is the gas tax, the larger tax costs in this province as opposed to the United States.

It has been stated by several people; one is the mayor of Sarnia-Clearwater, who has talked on this whole subject. He stated that where there is a single-industry community like Elliot Lake or companies in distress like Algoma or de Havilland, there are brigades from all over to develop a rescue package. Why is the retail trade any different? There is no question that the retail trade is being affected by this tax. It is being affected because people are shopping more and more in the United States. That was a quote by, I believe it was, Mayor Mike Bradley of Sarnia-Clearwater.

The newspaper article I am referring to which makes this quote goes on and says, "While there are many factors behind the rapid growth of cross-border shopping"—and this is referring to a speech made by Mr Bradley—"the lower cost of gasoline in the United States is the main culprit." He attributes it to gasoline. That is why people are going down there. Obviously, there are other reasons, and I am sure the members will readily stand up and say it is also because of some of the federal policies, and that is probably quite correct.

What efforts are being made by this government to co-operate with the federal government in solving some of these problems? I do not think there are any. All they do is point fingers at the federal government and there is no attempt whatsoever to work out with the federal government its out-and-out criticism.

2200

I do not know whether the government has considered this, and I must confess I am not that knowledgeable on the subject, but it is a subject that was raised by Mr Bradley, the mayor of Sarnia-Clearwater. "He suggested that a graduated tax system that would lower prices in border communities would go a long way towards cutting down on cross-border trips." I do not know, but I have not heard any input from the government as to whether that is a good policy. Again, it gets back to my question. I believe this is simply a tax grab. It does not take into consideration the issues of cross-border shopping, transportation or the downturn in the tourism industry.

"The provincial and federal governments say they cannot afford to give up the lost [tax] revenue," he said. "But the fact is that 100% of nothing is still nothing." That is what they are getting. Their business is an absolute disaster in these areas. "Bradley's claims were supported by a provincial survey done earlier this year." This article I am referring to is in the October 16 Financial Post. He did not say when that was but referred to "a provincial survey done earlier this year"—I believe that has been referred to in this House previously—"that indicated 80% of people going to the US did so to buy gasoline."

That is a poll, and of course the government can say it believes or does not believe in polls, but that is a poll. I do not think they can deny that is at least one of the reasons. This survey says 80%. It may be high, it may not be high, but it is a consideration that people take in going to the United States. "He added that a decade ago the situation was completely different as US shoppers came to Canada for lower-priced goods." They are not coming here. Why would they come to Canada? Because it costs so much more to travel and to purchase because of our tax system. "He said...that New York residents spend millions in bingo parlours, bars and restaurants in Ontario." They do not any more, and it is because of policies such as the gasoline tax.

Hon Mr Wildman: And the GST.

Mr Tilson: It may be because of the GST. The member can flippantly make that remark, but there is no question it is because of the gasoline tax. The member cannot deny that.

I will not pursue these issues any further. I believe my point is made. The major reason I stood was to express a concern, at least from individuals in my riding, and that is fear of the commuter. This tax is discriminating against the commuter, specifically my constituents in Dufferin-Peel, because I have given the statistics that a large number of them commute and how this tax is affecting them.

It is affecting them because salaries are not increasing, with the exception of those who work in the government. Those in private enterprise are either going out of business or their salaries are staying much the same. Meanwhile, the gasoline tax is going to rise by another 1.7 cents per litre. They are going to go to the pumps and suddenly see this after a New Year's Eve party. That is a tax.

Mrs Mathysen: They shouldn't be driving after a New Year's Eve party.

Mr Tilson: Of course, I am not talking about that. The member should not make flippant remarks such as that. She knows perfectly well they are going to be very concerned. We are talking about the commuter because I do not think the member has ever considered that in her deliberations in this House. I challenge her to rise and tell us how this tax is possibly going to help this commuter in this province.

Mr Speaker, I thank you for the opportunity of allowing me to address the House on this subject. I hope particularly that the government members will reconsider their position after these comments and the comments raised by other members in this House and defeat this bill.

Mr Johnson: "Lies, damned lies and statistics." That is a very famous quote by Mark Twain. We use statistics to our advantage. If they are in our favour, we use them; if they are not in our favour, then we do not. I think this is the problem with the member for Dufferin-Peel. He has looked at some statistics that favour his arguments but has not looked at the broader statistics of all the problems we have to deal with when we look at the tax issue.

He calls it a tax grab. There is a need in the province of Ontario right now to raise revenue. We have a \$9.7-billion deficit in our budget and we have to raise revenue. Why do we have to raise revenue? We have to raise revenue because there is a need to maintain the services in this province that the people of Ontario demand. They demand these services. They do not want them cut. We want to see our education maintained. We want to see our social services maintained. We want to see our hospitals and health care maintained.

How does the member for Dufferin-Peel expect these things to be maintained if we do not manage fiscally as well as we can in this very needy time in Ontario? Maybe the member for Dufferin-Peel would like us to lay off 10,000 government employees. We would save about the amount of money we are going to raise by implementing this tax. Maybe that is what the member opposite wants. Maybe he wants us to lay these people off. I do not know. Maybe he can answer me that question.

We have a Fair Tax Commission that is going to look into some of the broader questions of taxation. With regard to the Canadian Federation of Independent Business and its poll, I would like to see exactly how the question was put; but with regard to the Fraser Institute, the Fraser Institute is no friend of the New Democratic Party.

Hon Mr Wildman: I listened with interest to the remarks of my friend across the way. He was talking about the tourism industry and he kept referring to my colleague the Minister of Tourism and Recreation as "Minister North." I did not want to impede the flow of his speech by getting up on a point of order, but I am sure the Speaker would agree that was quite out of order and most inappropriate.

Having said that, I am concerned about the comments of my friend in regard to the gasoline tax in isolation of the whole tax system. There is no question that an increase in the gasoline tax will affect the commuting public and tourism. I do not question that, but I really would prefer for him to have talked about the overall tax system and how

this might play a part in regard to the whole tax system, particularly the increase in consumer costs related to a particular imposition of tax by the federal government, an invasion of what is normally a provincial area of taxation, the taxation on consumer products and services.

I would like to know if the member, in talking about taxation, would agree that the GST also affects tourism in this province and consumer spending, then what is his solution? Would he suggest that the federal government should vacate what is really a provincial area of tax or would he suggest perhaps that this province should in some way harmonize with the federal tax? It would be interesting if the Conservative Party, at one point or other, came clean as to what its view is with regard to harmonization or the invasion by the federal government into a provincial area of taxation.

The Acting Speaker (Mr Villeneuve): The honourable minister does make an excellent point. When honourable members are referring to other honourable members, it should be by their riding or the title of the portfolio they hold in cabinet.

Mrs MacKinnon: There is no way in the world that I will ever be as eloquent as those who have gone before me, but I guess I will never learn if I do not jump into the fray. I am proud to stand here this evening representing the riding of Lambton and speak briefly to Bill 86.

I heard the honourable member for Dufferin-Peel talking about how taxes are causing bankruptcy. Yes, taxes are causing bankruptcy. The honourable member who spoke ahead of me has referred to the very thing that has bothered me for so long time, and that is the GST, the goods and services tax. That has caused more bankruptcies in all of Canada, yea in the province of Ontario, than any other tax every created by any government.

The member for Dufferin-Peel spoke about surveys. Well, there are surveys around—obviously I have not got them with me right now—that will bear out what the goods and services tax has done to the provinces, including Ontario.

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I fail to understand how the increase in tax on gasoline would cause bankruptcy today. Bankruptcy started a long time ago. Indeed, the 1990s are going to be challenging years, as he has suggested. As a New Democrat, I am very proud to be part of that challenge. I have always loved a challenge. If my mother was alive, she would tell him that when I was one year old and they told me I could not walk, I said, "Yes, I can." We welcome a challenge and as a government we are rising to that challenge.

I would also like to clear up one fact for the honourable member for Dufferin-Peel: There is no more Sarnia-Clearwater. Doggone it, they voted it out. It is just Sarnia and they moved me into it. They moved the boundary and said, "Now you live in Sarnia." I live in the city now instead of a rural area.

You spoke about the federal government. We have tried on more than one occasion to work with the federal government.

The Acting Speaker (Mr Villeneuve): Thank you. Your time is up.

Mrs MacKinnon: Forgive me, Mr Speaker, I did not speak to you. I am sorry.

The Acting Speaker (Mr Villeneuve): Thank you. You will have the opportunity to participate in the debate. We are still in questions and/or comments. Further questions and/or comments? We can accommodate one more participant. Seeing none, the honourable member for Dufferin-Peel has two minutes in response.

Mr Tilson: The member for Durham-York indicated what I would do to deal with the economic problems that are occurring in this province. I can tell him one thing: I would not get into the programs the government is doing unless I felt this province could pay for them. There is a limit to what the taxpayer can pay for. There is a limit as to what debt this province can incur. I certainly would not triple the deficit to \$9.7 billion. I certainly would not increase it by 219%, which is what the government is doing. I certainly would not make this deficit the largest in Canadian history.

With respect to the comment made by the member for Algoma, I certainly agree that it is unfair to isolate the gasoline tax from all the other aspects. To be fair to me, I did relate it to the other tax bills. I related it to the whole issue of tobacco, the whole issue of alcohol, the whole issue of the different types of taxes, and I think there are 11 of them, coming forward in this budget and how they are affecting the economy.

The purpose of my comments, I say to the member for Algoma, was specifically to deal with how it is affecting the commuter. In that respect I can isolate this tax and how it affects the commuters, specifically in my riding of Dufferin-Peel, who have to travel great distances on a regular daily basis. There is no question they will be looking at that, because each day they travel they are going to have to fill up their tanks with gas, which is going to cost more. They are going to look around at what they are getting. They are not getting a GO Transit system—at least they have not to this date—and I hope he will consider that. They will not get the repairs for the roads they are getting. At least, very few repairs have been occurring. It has to do with the value of money. For the value of their money they are not getting what they are being taxed as a result of this bill.

Mr Conway: I have enjoyed this resumed debate on Bill 86. I am sorry the member from Orono is not here. He started things off earlier this afternoon in a very spirited fashion. I thought he made quite a good and spirited defence of the government policy. Having been personally involved with the Ministry of Revenue, he brings a greater degree of commitment to some of these things than some of the rest of us. I really enjoyed his comments, though I did not find myself agreeing with quite everything he had to say.

A lot has been said about the gasoline tax, and I am going to try not to repeat some of what has been said. We are looking now at a 30% increase in this budget on the gasoline tax. I have enjoyed some of the comments from my friends in the third party. The member for York Mills and the member for Dufferin-Peel are very definite in their taxation policy. They make me feel somewhat inadequate because there is a consistency and an ideological fervour to their position. Not one that I share. But then if I were a

true democratic representative of York Mills, I can imagine what they would think on Old Post Road. Their views on taxation, whether it is gas tax or retail sales tax—

Mr Carr: After you guys drove them out.

Mr Conway: And now we have the spokesman from Oakville and he is equally eloquent. I repeat that I suppose if I represented communities like Oakville and Post Road and Caledon I would have a view—I cannot imagine getting here, quite frankly, and not having some of the views that are so—

Mr Carr: I have worked all my life. I represent people who are working class, too. Ford Motor Co is there.

Mr Conway: I am sure all of those things are true. I was thinking particularly of what the member for York Mills said, and he was very passionate, as he is on a lot of these subjects. I guess my only comment to the members from Caledon and Oakville and York Mills is—

Mr Carr: You don't want to insult the people of Oakville.

Mr Conway: I have certainly no intentions of insulting the people of Oakville. I have not been here for this many years and not learned that.

Mr Carr: They threw the Liberals out.

Mr Conway: Of course they threw the Liberals out. That is a perfect right in a democratic society. I do not know why people get so exercised about the reality of defeat. That is the excitement of politics—you live on the edge.

It was good to see the former member from Oakville, somewhat more expansive than the current member for Oakville South, but I was delighted to see the 17-year veteran, former minister of highways, former chairman of the Civil Aviation Board in Ottawa, James Snow, now an author. If members have not seen the memoirs of James Snow, they are interesting reading.

Interjection.

Mr Conway: That is right. They are available at the Hornby general store, I think, for \$15.95. But I believe Mr Snow represented Oakville, if I am not mistaken. At any rate, he used to throw the best party the Tory organization could ever imagine. I do not know whether he still does, but I was once invited. I could not quite get there.

At any rate, my point is that this budgetary measure raises the gasoline tax by 30% in two stages. I think that is the largest increase in the gasoline tax in recent memory. The good old gasoline tax: It is now 67 years old. It started out, I think, in 1925 at three cents a gallon and now it is 60 cents a gallon, so it has done not too badly over those years, and all governments have increased the gasoline tax. Despite what people said here earlier today, all future governments in my view will at some point adjust upwards the gasoline tax. I am not persuaded by anyone who argues the case, "Elect me and I will not raise the gasoline tax," because that defies the historical record on all sides.

However, this interests me because of the rationale advanced. I only know what I know, and I know what I read in the budgetary statement read by my friend the member for Nickel Belt a couple of months ago. This 30% increase in the gasoline tax is offered up as a conservation initiative,

and that is interesting. It is not offered up as gasoline tax increases have been offered up in the past as part of the traditional function, which was to help the always beleaguered minister of highways with the cost of maintaining or expanding the provincial and municipal road system. I thought that was interesting, because the net increase as a result of this adjustment, according to the budgetary speech read by the Treasurer himself, is \$250 million. That is not chicken feed. But there is no reference here to that money going to where I am sure some of it will go.

Interjection.

Mr Conway: I do not want to excite the increasingly excitable Minister of Transportation, who is travelling, I gather, across northern Ontario now as some kind of archbishop, I keep hearing. I keep hearing reports that make me wonder where the old populist Pouliot has gone. At any rate, it is gone, and ministeritis is not something that is unique to my friend from Manitouwadge.

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But I make the point that the budgetary speech of the Treasurer in April of this year suggested that this 30% increase in the gasoline tax was largely a measure to promote greater fuel conservation. That is the rationale, so I think we have to look at that increase on that basis.

Before getting into that in any great detail, I do want to share some observations about gasoline pricing, because of course it is not uniform across the province and I do not expect it ever will be. I always thought one of the hare-brained offerings of the NDP in opposition was the notion that we should have equalized gasoline prices. Everyone from the Premier to the Treasurer used to make quite eloquent speeches. I think even the Minister of Natural Resources made them on occasion. It was almost as stupid, quite frankly, as the NDP and the Liberals offering up some commitment to 60% of funding in education. That is what happens when we let the special interests write our election manifesto. I hope we have all learned the stupidity of that. At least I have; I am sure others have as well.

At any rate, the NDP members used to make these speeches here and in Fort Frances, in Shining Tree and in Blind River, that what we really need is uniform gasoline prices—manifestly idiotic, however ideal. Who could be opposed to it? But they kept saying it, and anyone who knew anything about it knew it was quite impractical, however desirable. But the good old NDP gets called to the Treasury bench and now, of course, these terrible Grits and Tories try to exact some accounting for that idiotic, harebrained scheme—which has been jettisoned now as exactly that, and wisely so, though they cannot in some public act of contrition admit the error of their past ways.

Hon Mr Wildman: Are you congratulating us?

Mr Conway: I am simply observing that like in so many other areas, whether it is the regulation of retail store hours, the common pause day, public auto insurance, my goodness, even the payment of members of the Legislature, we have seen an about-face that is occasioned, to be sure, either by circumstances or by the cold shower of responsibility in government. I simply point out that the

NDP has had to abandon its position that there should be uniform pricing.

I used to like that part of the speech: "You know, Mr Speaker"—quoting the now Premier—"in Fort Frances you can buy milk for this and in Ottawa you can buy milk for nearly the same." Beer was always thrown in there with a good, union-hall, democratic impulse. "Beer and milk are uniformly priced within a narrow band, so why can't we have the same with gasoline?"

Of course we now know that the NDP cannot deliver. I do not expect it to deliver. It was cute and quaint to make the offering but now in Rainy River and in Sarnia-Clearwater—or, as we are told, it is Sarnia; I cannot wait for the big fight for that nomination next time around. I presume they are both now in the same riding. At any rate, that is unfair and it is irrelevant. I should not say that.

I simply make the point that the people across the province know that the NDP cannot deliver, will not deliver, and here's hoping that the three parties now represented in here will not repeat the mistake of offering something they cannot deliver. I presume this little promise has slipped off the stage for some time. The member for Cochrane North nods very negatively. He must know something I do not, so I will wait for his intervention in this debate.

My point is that with gasoline pricing, I have some experience. I do not profess to know very much about a lot of things but I doubt if there is anyone in this Legislature who spends as much time in an automobile as I do. In fact, I just noticed the other day my car turned exactly 12 months and it turned 74,800 kilometres.

Mr Carr: How is that Rolls running anyway?

Mr Conway: I do not know where a 1991 Chrysler Dynasty would be made but I hope it is made some place in Ontario. I used to drive Fords. Actually, the Ford Crown Victoria is a very good vehicle and I am proud to have had a number in my capacity as a minister of the crown.

Hon Mr Pouliot: How come you charged the Legislature for 120,000 kilometres?

Mr Conway: I am really happy to have that interjection because I am quite prepared to put my mileage account, large as it is, with anyone else, anyone over there. The member knows what a hateful old cuss I am on this subject. I have a long memory.

Hon Mr Pouliot: You never spent five cents when you were a minister; it was all under the ministry. Tell us about it.

Mr Conway: Does the member want to haul out my records? Any time. I would be quite happy to compare my records with your records.

At any rate, 75,000 kilometres I have driven over the past 12 months. I am not bragging but it is a lot of mileage. Typically, I leave Pembroke on a Sunday night and drive to Toronto and reverse that trip later in the week.

I was particularly struck by the campaign launched in the Ottawa Citizen this fall, I think in a quite timely way. The Citizen has observed, of course, that the gasoline prices in the national capital area are consistently among the highest in the province. I do not think the member for Cochrane South in his intervention, who I thought made

quite a good speech, observed that the Ottawa Valley and Timmins have been competing in the last number of months for the consistently highest retail price of gasoline in the province, and the Ottawa Citizen observes this.

My point is that if you live in communities like Renfrew county, Ottawa or Cornwall, and apparently in Timmins and some parts of that Highway 11 corridor west of Timmins, I know in my area right now the price is typically around 58 cents or 59 cents for—

Hon Mr Pouliot: The guy's comical. Quite the northern part of the province.

Mr Conway: Listen, it is not too many weeks ago since I left Pembroke and drove to Hearst and back. I kept a log of the prices I saw on that trip. The prices in Renfrew county were higher than they were in a goodly number of parts of the north. They may not be that way now.

Mr Bisson: Did you go to Timmins?

Mr Conway: Is the member asking me to drive the northern part of the province? I have done that and done it fairly recently, and I kept a log of what the prices were. My point is simply this, that it is not at all unusual to leave home on a Sunday night and see gasoline priced at 58 cents to 60 cents and drive through Peterborough or Tweed and see the price at 53 cents or 54 cents and come to Toronto and see it at 49 cents or 50 cents. It is not at all unusual to see a five- to six-cent-a-litre difference between Pembroke and Peterborough or a 10-cent-a-litre difference between Pembroke and Toronto. That is not talking about gasoline corridor up Highway 11 around Oro township and Orillia where the prices tend to be among the most favourable of any place in southern Ontario.

I want to say on behalf of the people I represent, not so much to the government, because I admit it has very limited power in this, really, but I would say to the gas companies that like most people I represent I think I am being ripped off. There is a lot of evidence to suggest that in Renfrew county, in what I will call the Ottawa River frontier, we are being systematically and routinely ripped off, as the Ottawa Citizen has indicated with a series of very good editorials and consumer watch articles.

Mr Sterling: You should learn to drive slower and you wouldn't use so much gas.

Mr Conway: My friend says to drive slower. Actually, that is one of the things I did do on the trip to Hearst. I drove up without the benefit of cruise control and drove back with the benefit of cruise control, and my friend from Manotick is right, there is an appreciable difference.

Hon Mr Pouliot: You weren't speeding, were you?

Mr Conway: I do not want to engage that point, but I repeat that people in the Ottawa valley are being ripped off. We are being ripped off by the big oil companies and their various partners in this scheme.

I am glad to see the Ottawa Citizen focusing public attention and I am also glad to see that the non-governmental remedy that has developed in Ottawa, that old action developed in Ireland centuries ago, called the boycott, has actually had some effect. I do not want all the kind of intrusive things that a New Democrat would imagine, and

boy, the literature is replete with those suggestions. I do not want any of those kinds of government panels, because they are not going to work. They have not worked where they have been tried, so members can spare me that.

I am encouraged to see that in Ottawa the citizenry has risen up and it is boycotting the majors and it is having an effect, not as dramatic perhaps as we would like, but I would encourage a boycott to the greatest extent possible and I would encourage people in my area as well to do what they can to bring the influence of the consumer upon these gouging oil companies that consistently charge the people I represent anywhere from 10% to 30% more than people are paying in communities like Peterborough and Toronto and Orillia, to name but three. There was one day last year when there was a 19-cent-a-litre differential between my home in Pembroke and London. What is that in gallons? That is obscene.

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Interjections.

Mr Conway: I think it is germane to this debate and I want, on behalf of my constituents, to complain about that. Bill 86 seems to be a very appropriate time in which to do that.

I want to come back to the rationale, because here my Celtic blood begins to really boil. This is the kind of bill where I really wish I were in Congress, because—

Interjections.

Mr Conway: I wish I were in Congress, because this is the kind of initiative that would not make it through Congress. The kind of people who are being screwed by this policy, as announced, would get together and—

The Speaker: I think particularly knowing the member for Renfrew North's extensive vocabulary and his way with words that he could find a slightly different phraseology that would express the same sentiments.

Mr Conway: I know the delicate sensibilities of my friends opposite and certainly I would not want to offend those sensibilities at such an hour and such a season as this. But what shall I say? I would not want to be indelicate, however accurate that indelicacy might be.

I look at this policy as announced, and I am not looking at anything else. This 30% increase is being announced to "promote greater fuel conservation." I say fair enough, if one of the principles in any kind of good taxation policy, namely equity, can be found to some reasonable extent.

Here I am of course driven to a rage because the people I represent, the people of Renfrew who have sent me here, are being ripped off disproportionately by this conservation initiative. I want to say that the people in Haliburton and in Lambton and in Cochrane and in Nipigon and the people in a variety of other rural communities without any public transport are being ripped off in a similar fashion.

I am upset and I am angry, and when I said I wish I were in Congress I meant only that this is the kind of initiative that probably would be stopped cold in Congress because the rural lobby would not let it off first base. If a member were from Manitouwadge or from Wyoming or from Pembroke, irrespective of whether he were Republican or Democrat, he would see this for what it is and he would

make sure the majority leader and the minority leader and the Speaker and the White House bloody well understood that they were not going to be delicate and be disproportionately ripped off. That is my primary complaint.

Hon Mr Pouliot: What is wrong with our system?

Mr Conway: It is suggested, what is wrong with this bill? I tell the member, I do not know what is wrong with the member from Manitouwadge. He is very excited. I think some of his past is coming—

Hon Mr Pouliot: I know you guys; 33 times you increased taxes in five years. Get with it.

Mr Conway: Of course we raised taxes. We did raise tax and we did it generally at the behest of the New Democratic Party.

Interjections.

Mr Conway: No, I am talking about the five and a half years.

An hon member: You did that after 1987.

Mr Conway: We did what we did, and I have no regrets.

Mr Carr: The taxpayers did.

Mr Conway: We raised taxes; of course we raised taxes. As my friend from Oakville observes, the taxpayers ultimately had some objection. I have no problem with that. We were not the first government to be defeated. We are not the last government to be defeated. I just do not understand. Informing the attitude of a lot of these New Democrats seems to be an old Family Compact toriyism: "God, we're now in our rightful spot and we can never or should never lose."

Interjection.

Mr Conway: I just want to say to the member for Halton North, who knows something about being bounced around, that we will all be bounced around in politics. That is the fun of the job. To win is to lose, and to lose is to hopefully win some day. I was listening the other night to the member for Willowdale about how he ran and lost. I think about my old friend Mel Swart. He ran more times than I can ever imagine. It is almost a Diefenbaker-like story. They ran and they lost, and in the end they won. It is the joy of politics.

To lose is no great embarrassment. I do not have any particular embarrassment about losing. I see my beleaguered friends in the Treasury bench as they sign their Christmas cards and their weighty correspondence. I have to tell them, I do not worry about having none of those responsibilities. In fact, I feel like old Stanley Baldwin. I was never happier than when I surrendered the seals of office. I do not know what would ever make me want to go back and do it again.

Interjections.

Mr Conway: I think I heard somebody from Sudbury say that for \$20,000 it is not worth it. She may have a greater point than is sometimes realized. Of course, I am old-fashioned. As I said earlier today, I believe there is an element of public service and duty. I am glad to see my dutiful friends from the Beach and elsewhere doing their duty. It does my heart good to see that.

Hon Ms Lankin: It's "the Beaches."

Mr Conway: I do not want to embarrass the Minister of Health, but she said something in my presence earlier this evening that I think would be useful to throw into this debate.

Hon Ms Lankin: I know what you're talking about.

Mr Conway: No. I am talking about reports out of the regional municipality of Muskoka, where we have a new chairman. I was with him at a dinner not too long ago. I am absolutely delighted to know that Frank Miller is the new regional chair in Muskoka. But more important, the first thing Frank Miller is saying to the people of Muskoka is he is very hopeful this government does not unduly cut the health and hospital budget. He hopes there are other things—

Interjection.

Mr Conway: I say to my friend from Oakville, when he was stopping pucks in professional hockey, Frank Miller was in this Legislature and in communities like Durham and elsewhere in western Ontario doing his difficult duty as a minister of the crown. What is it they say? What goes around comes around. To be told now that Frank Miller, in his new responsibility, is concerned about cuts in health programs and worried about hospital funding in Muskoka is to tell me there are a variety of perspectives and different roles in the political process, and those who have not experienced all of those should be very careful about offering too much definitive advice.

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Back to Bill 86, I want to say very seriously that I appreciate this situation in which the government finds itself. They have had to raise revenues, they will continue to have to raise revenues, and it is going to get more and more difficult.

The arguments that have been put earlier tonight by the members for St Catharines and Dufferin-Peel, among others, about the impact of these measures on the province are ones that I share, and I think by springtime we are all going to find ourselves in an extremely difficult situation.

The worry I have is that this is now a very high-priced economy, and government is a part of that. I accept our responsibility as a government that levied its share of taxes, a lot of taxes, and we paid for them largely out of growth. We paid for a lot of our spending, I should say, out of growth. But when I go to places like Cornwall and Brockville and Kingston and listen to what people in the community are telling me about, for example cross-border shopping, it could not be clearer to me that people are voting with their feet.

Somebody got up in the House the other day and asked the Minister of Agriculture and Food a good question about milk prices in the Sault Ste Marie area, and I said to somebody sitting beside me, "I know probably a big part of the cure for that would be closing the International Bridge," because I am stunned in my part of the province at how many people are going across the border and buying not just gasoline, but it seems to be gasoline, tobacco and alcohol, and dairy products are showing very high.

I know all the reasons why that should not happen, but I know the one reason why it will probably continue to happen. We can beat our breast, we can complain, but

people are voting with their feet. We are already seeing it, but I think we are going to see a very, very sharp increase after Christmas in what the voting with the feet means to the retail trade. It is not going to be pretty. I really hope I am wrong, but everything I see and hear makes me think it is going to get worse before it gets better, so government is going to be caught in that horrible bind of declining revenue and increasing demand on the expenditure side.

So I come back to this bill, and I want to relate this bill, the gas tax policy, to what I call the hydro tax policy, because I think both of these are particularly targeted at people like the ones I represent.

Why am I angry about this bill? Not because the government has increased the rate. Of course they have to raise taxes if we are going to enjoy the services that we have. If they are going to balance the budget, as some of the Thatcherites to my left want, then clearly they are going to have to take a bludgeon to three budgets, quite frankly: Health, Education and Community and Social Services. That is two thirds to three quarters of the budget. If they are going to really restrain expenditures in a dramatic way, then they have to take a very big knife to those budgets. I am certainly not going to be advocating that, although I suspect before these next 18 months are out we will have seen a knife or a scalpel searching around some of those sacred trusts.

Mr Bradley: Richard Johnston says the colleges only need 2%, so they will not need that much.

Mr Conway: I think the member is just a caterwauling oppositionist. He does not understand Richard Johnston's new responsibilities. He does not believe Richard Johnston, of his own free will, came on behalf of the Paddy Mussons of the world and offered up, "Oh, take some away from us." I cannot believe the man who worked out such a balanced deal at Ward's Island would have anything other than—I just think it is a very cruel thing of the member to even suggest—

Mr Bradley: Do you know that Ward's Island is the postal address of Alpha Consultants?

Mr Conway: No kidding. I tell you, Alpha Consultants can certainly pay any increased taxes on the basis of revenues these days.

My point about the gas tax is 30% in one whack. That is going to mean for the people of Renfrew county, on average, about a \$100 annual increase. In Renfrew county, as in Haliburton county, the car and the automobile are absolute essentials. I bet it is the car and the half-ton truck that are absolute essentials.

I do not want to start throwing things but I could start throwing things when I read this: "Mr Speaker," the Treasurer said, "to promote fuel conservation and to do environmental things, we are going to raise this tax by 30%." It was the Treasurer in December 1988 who said in this place, "Any politician who would seriously argue that there was an environmental ingredient in a gasoline tax hike was misleading this Legislature with hogwash." That is what the Treasurer said two years ago. He said any politician who would seek to argue that there could be an environmental ingredient to a gasoline tax increase that

was well below the 30% rate would be misleading the Legislature.

Hon Mr Wildman: Does that apply to the tire tax too?

Mr Conway: They are fighting back. They talk about the tire tax. What is the tire tax? It is five bucks a tire. I repeat that 30% gasoline tax increase will mean to the people of Renfrew county who are wholly dependent on the car and the half-ton truck 100 bucks—20 times the tire tax. Of course there was an argument against the tire tax. Of course there was an argument. Members will make it and will continue to make it, and one of these days they will make it with such passion as to stand up here and say proudly, "The tire tax is an abomination that Bob Rae will not tolerate and it is ended."

If they are so passionately concerned about it, let them do it. I am making the point that the people I represent—and I was interested in what the member from Caledon talked about and I know a little bit about Dufferin and that part of north Peel, but Renfrew county is the largest county in the province, 3,000 square miles with population scattered throughout its entirety.

Hon Mr Pouliot: Whoop-de-do.

Mr Conway: The Minister of Transportation sings a happy little song. I want to say that daily—

Hon Mr Pouliot: Three thousand square miles.

Mr Conway: Yes, and I know very well a lot of those northern communities. I know them very well. It is a very different kind of settlement that you have in many of those, and I will be the first to admit, and I used to be the proudest defender of the member for Nipigon at the Board of Internal Economy. I tell you, I know well the kind of communities that he represents.

But I am going to tell you that in my county, it is not at all—I know people who tomorrow morning will get up in Quadeville and Palmer Rapids and drive 55 miles to work and another 55 miles back. That is 110 miles a day. People will drive from Douglas to Deep River. A good friend of mine is a principal in Barry's Bay and he lives in Pembroke. All of those are routine 100-mile, 150-kilometre daily trips.

In the last two or three weekends in my weekend constituency duties, I have racked up, on average—I am embarrassed to admit this—over 500 kilometres, running around a wonderful county. The member for Algoma, proud son of Carleton county, with good relatives in south Renfrew, knows well how far a drive it is from Arnprior to Deux-Rivières and from Renfrew up to Whitney which is in the south Nipissing part of my constituency. It is a tyranny of distance that bedevils daily life in Renfrew county.

I say to my friends, they have the nerve to stand up and say, in these communities, with no public transit of any kind outside of the city of Pembroke, "Oh well, we are going to raise by 30% the gasoline tax because we think it's the environmental thing to do." If I were in my Wallabees with my patched Harris tweed jacket, running around some urban community with my public sector job and belonging to some environmental rights organization, of course I would be happy with this. Who would not be? I would take the TTC, I would take OC Transpo, both of

which are heavily subsidized, as I understand it, by the provincial taxpayer.

Hon Mr Pouliot: You have gone for glory.

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Mr Conway: I am telling the minister the unvarnished truth. There was a time, I say to my friend the former mayor of Manitouwadge, that his populism would have forced him to his feet and to have joined in this argument, but now, of course, in a kind of poor man's Faustian way, he has—I do not want to take this too far, because I will probably be thrown out for it.

The Speaker: You got that one right.

Mr Conway: He has traded his populism for the government car and the Beechcraft. These are now matters that do not press upon his daily attention. I am here to tell him that I represent 75,000 people who would look at this and say: "Explain this to me, Minister. So we get to pay this 30% irrespective of the fact that we have no choice. We have no TTC, we have no OC Transpo, we have no GO system. We have the half-ton truck and we've got the car and that's it." These social democrats have the nerve to tell me, "It's good for your soul, it's good for your environmental consciousness to pay this tax that your cousin in Ottawa and in Toronto and in Hamilton and in Windsor will pay to a much lesser extent."

If a Tory were doing this or if some old-line Grit were doing this, I suppose we could say, "That's part of their baggage." But who is doing this? This is the New Democratic Party. And for how many years have I listened to the New Democratic Party pour out with great passion and frequency its views on an appropriate tax policy. You could hear it in the chirping earlier tonight. How many New Democrats said: "That hated GST. That GST is awful"?

Mr Klopp: It is.

Mr Conway: The member for Huron wisely observes that it is. Why would a New Democrat who knew anything about his philosophy say that? He or she would probably say that because the New Democratic Party has for decades argued that taxation ought to be progressive and it ought to be based on the principles of fairness and equity and it certainly ought not to be as regressive as these consumption taxes. What is the GST? It is a consumption tax. I expect a New Democrat to be opposed to the GST. What have we got here? Where is the equity and fairness in this consumption tax? And that hydro tax is another one. Where the—I am telling members—

Mr Bradley: "Heck" is the word you are looking for.

Hon Mr Pouliot: He cannot change it to "fuddle-duddle." I heard it.

Mr Conway: Thank you, Sheila Copps. I just want to say, shame on the NDP members. Shame on them with a capital S. Because there is a case for this tax, but it is not an NDP case. There is a want of equity and fairness in this, because the single mother living in Tory Hill in north Haliburton who has to go in to see the member in Gooderham or in Lindsay—

Mr Perruzza: Have you ever been there?

Mr Conway: The member better believe I have been there. I want to tell him that there are not too many places that a car can go that I have not been to in this province. I would even be prepared to take my friend the member for Downsview to a selected number of those venues.

I want to say to my friends in the NDP and particularly learned ones like the member for Hamilton West, when they look at this gas tax and when they think about their hydro tax, where is the equity and fairness in those taxes and in particular where is the equity and fairness in those taxes for people living in rural Ontario with no alternative? If we had the TTC in north Haliburton or in north Renfrew, then my case would be discounted very substantially, but it does not exist, for reasons that we all know about.

We have a government that twice in this year has embarked upon tax policies that are extremely injurious to the people I represent, and I want to say that when they look at this tax, imposing an additional burden of \$100 on average on a person with a car or a half-ton truck in Renfrew, what possible rationale have they got in the environmental area for that?

Interjection.

Mr Conway: Mr Speaker, I ask you to restrain the enthusiasms of the Minister of Transportation.

I hope the NDP is shamed by what it has done here. I do not expect it to be a public shame, although the bill, this Bill 86, and the hydro policy stand as testaments to their abandonment of the principles of equity and fairness. They should think about what they have done on that hydro policy. They have said to a farmer living in Stafford township, in Renfrew county—and I was out the other day with my friend who runs the dairy herd, and he has a bill that is now \$1,000 a month, the hydro bill, thanks to the policy of this government, which seeks to incorporate in the hydro rate a series of regional development initiatives and other things that are going to be borne disproportionately by citizens in this province.

Hon Mr Pouliot: What has this to do with Bill 86?

Mr Conway: I say to the member from Manitouwadge that if he would stop talking long enough he might understand that what I am saying is that there is a direct connection between the principle of Bill 86 and the hydro policy, in that in both cases the government has framed public policy in such a way as to unfairly single out and injure people in rural communities, who in the case of gasoline are wholly dependent on the car and the half-ton truck, and in the case of energy sources are almost wholly dependent on hydro electricity. There is a fundamental flaw in that policy, and I think it ought to concern social democrats. I do not expect Thatcherites from York Mills to be concerned, but I do expect New Democrats to be concerned, because, all partisanship aside, they cannot, I think, respond effectively to that argument—and if they can, I am very anxious to hear it.

I repeat, I do not quarrel with their right to raise the tax. I do not think anybody here could say they will not raise that tax. But I do quarrel with the fact that they have advanced the argument that it will be done in the name of environmental policy, when the man who made the speech

said two years ago that if anybody said that, he would be misleading this Legislature, but moreover and more important, that the policy is so inequitable and unfair because it falls so unevenly across the citizens of the province—and that is my same charge against their hydro policy.

I accept all of the ideological fervour that the NDP brings to the energy debate. I do not agree with it, but they have won the right to move forward. But how they cannot understand that doing what they are doing to the hydro rate, recognizing that if you live in Sarnia, you probably have natural gas available and you are probably using it, but if you live out in the rural community near Brigiden—well, no, the member probably does. That is a bad analogy. I should stick to my own territory, because certainly in rural Renfrew, if you do not live along the Ottawa River corridor, you have no natural gas. You have electricity and that is what you are going to depend on—

2300

Mr Huget: Time to pay for Darlington.

Mr Conway: Fair ball. Listen, I have seen the Ontario Energy Board and they have costed out the various factors. I am talking only about paying for the Elliot Lake arrangement.

Hon Mr Wildman: You want to forget about Darlington.

Mr Conway: I accept our responsibility to Darlington.

Mr Bradley: I read the CUPE newspaper on this and they said—

The Speaker: Order.

Mr Conway: I am prepared to accept the charge. I say to my friend the member for Algoma that he might want to look at the costing that has been done by the OEB. I will take Darlington and I will take all the responsibility for it. I am not complaining about Darlington; that is on our ledger. I am talking about what the government has done. And the government has done at Elliot Lake and Kapuskasing some things it feels it had to do, and that is fair ball. I am just saying they are asking people to pay for that on a very unfair and inequitable basis. That is demonstrably true, as it is demonstrably true that this gasoline tax is inequitable and unfair because not all citizens will bear it with the same degree of capacity, ability or need. I would have thought those were touchstones that would excite New Democrats to rethinking this kind of policy and might even make them rethink the bill that is before us tonight.

Mr Bradley: From each according to his ability; to each according to his need. Is that gone?

Mr Conway: How many times have you heard it from the labour council in St Catharines?

Interjection.

The Speaker: I realize that an open microphone nearby is a temptation. Perhaps the member could resist the temptation.

Mr Conway: My friend the member for St Catharines did it beautifully, because he, like me—we have heard this over and over again. It is part of the enduring charm of the CCF/NDP tradition. It is one thing to abandon the same-

price gasoline across the province. That I understand, and I am quite prepared to excuse that. That was childlike irresponsibility, but this is something much more fundamental. This is core taxation policy, and as the member for St Catharines has observed, it violates a long-standing principle of the New Democratic Party. For that reason alone it should be rejected by this assembly.

I will certainly vote against this bill, not because they have raised the gas tax but because they have done it in a way to really hammer people I represent who have no choice but the car and the half-ton truck, and who would say of the Treasurer's April 29, 1991, budget speech in this connection that anyone who would seriously argue that there is an environmental ingredient in a gasoline tax act is truly misleading not just the Legislature, but the people of Ontario.

The Speaker: Questions and/or comments.

Hon Mr Pouliot: A renewed pleasure indeed, I think: the opportunities afforded the House to listen to and watch a master work in his craft. No doubt in the minds of many, if not most, he is among the most eloquent speakers. A lot of us are somewhat envious of that talent, although that talent should afford itself the opportunity of mentioning 33 tax increases by the very same people during good times. I have heard it said that they raise taxes and spend money like drunken sailors, with the difference that drunken sailors at least have the capacity and the honesty of spending their own money.

I have heard it said that the members across who have placed us in this dilemma were not your ordinary pick-pockets. They were the kind of people who would go to extremes and shake the ordinary citizens of this province by their ankles until every nickel, dime and penny had been taken away—33 times during good times. The personal income tax, the most insidious fashion of picking the pockets of people systematically, deliberately, with the less fortunate, from 48% to 52% of the federal tax base, under the cover of darkness. That is what happened, systematically, deliberately. There is no comparison in terms of comparing the needs of this government to what was done for five and a half years during good times. They should all be judged very harshly. If anyone has to carry the guilt, it is the people across.

Let's look at the books. They go to bed one evening telling the people of Ontario that they have a \$23-million surplus; they wake up the next day with a \$700-million deficit. If no one cooked the books, I should find the magician, and if someone did, I think it is time to fire the cook, which the people of Ontario did.

Mr Sterling: I think, with deference, the minister has missed totally the point of the member for Renfrew North's debate today. I think his point was that if you are going to increase the taxes, you do not hit the poor, the people who do not have choices, the people who are reeling under this recession. You do not go after these people, the people out in the country who are going to have to soak up a higher proportion of the charges that are going to be put on by Hydro, because people in rural Ontario pay higher Hydro rates than those in urban areas.

We have another tax, the gasoline tax, which is going to be borne unfairly by people in a less advantageous position than those in urban areas. That is the point I think the member for Renfrew North is making, and that is the point that I made in my initial remarks as well.

Do members know what is such a paradox? It is that we hear so much whining and complaining by these people about the GST. I do not like the GST, but one thing about the GST is that it does not tax the poor people, because the poor people do not pay GST. They are reimbursed for their payments on it. So the paradox is that we hear these people whine about federal policies, and theirs are much meaner, much crueler to the poor of this province.

Mr Mancini: I would like to take this short opportunity that I have to congratulate my colleague the member for Renfrew North for making such an eloquent speech this evening and for bringing forward so many important facts that many members of the Legislature in fact support. At one time, my colleagues across the floor supported the exact same things that my colleague from Renfrew North enunciated this evening.

I rise more particularly to point out to the Minister of Transportation, who is here this evening, that when he was in opposition, he wanted a uniform price for gasoline across the north. The members will remember that it was only a few weeks ago that we had seven or eight or nine hours of discussion in the standing committee on estimates about issues affecting transportation. This very matter came forward, and I begged the minister at the time, on behalf of northerners, to find out whether or not we were going to have uniform prices for gasoline in the north. I begged the minister to give us that information. I begged the minister to tell us what the effect of these gas tax increases would be on the northerners. We still have not had answers from that minister.

The Speaker: You are directing your comments to the member for Renfrew North.

Mr Mancini: We have not had answers from that minister. As a matter of fact, not only do we not have uniform prices in the north, we do not have them in the south either.

Mr Mancini: As the member for Essex South, I use the 401 regularly to drive between Amherstburg and Toronto. I can tell the minister, and he knows it full well—

Hon Mr Cooke: Just warn us ahead of time.

Mr Mancini: The member for Windsor-Riverside is yapping and interjecting. He does not care that in the price of gas from one gas station to the next on the 401 there is an eight- or 10-cent-a-litre difference. What does that do for tourism? It makes the tourists laugh at Ontario citizens, at Ontario businesses and at the policy of the Ontario government. That is what it does.

Hon Mr Cooke: Remo, you buy your gas in Detroit.

2310

Mr Mancini: On a point of order, Mr Speaker: The member for Windsor-Riverside, who is not in his seat and who is the government House leader, has made a very

serious allegation. It is on the record. I am going to ask the member to withdraw those remarks.

The Speaker: I am not sure you want the Speaker to determine where people purchase their gasoline.

Mr Mancini: On a point of order, Mr Speaker: It is very important to the member for Essex South. The member opposite has made an allegation—

Interjections.

The Speaker: Would the member take his seat.

Mr Mancini: The member is not going to take his seat until the government House leader—

The Speaker: I respectfully request the member to take his seat now, please. There is clearly a point of disagreement. It is not a point of order, but I recognize the government House leader.

Hon Mr Cooke: If the member for Essex South cannot take a joke at 10 after 11, I would be glad to withdraw it. I know he does not buy his gas in Detroit. I was only trying to be humorous.

The Speaker: Would you reset the clock.

Mr Bisson: I listen with great interest every time the member for Renfrew North gets up. He has a way, obviously, of putting into words many of the thoughts that a lot of people think—in a very eloquent way, I must add.

I think it is interesting, a couple of things he said, one of them very quickly. He talked about a hydro tax. There is no hydro tax. I think what we have seen with Ontario Hydro is the necessity on the part of the utility to recoup the costs in order to operate that utility—largely, I may say, because of some of the policies in the past.

This year we are seeing an increase of possibly above 10% in hydro rates. This is not something that I think anybody wants to see, but it is basically because of policies taken on the part of Ontario Hydro over the past years of going heavily into nuclear energy. We are seeing that cost. Clearly, about half of that cost is just one of those nuclear generating stations itself. I think the member is inaccurate when talking about it as a tax. It is not that at all, and it is not controlled by this government. It is something by Ontario Hydro as an arm's-length agency of this government.

The other thing that he talked about, at great length, was in regard to this being an environmental tax. I do not think the member was here a little while ago—I am not sure—when I got up and spoke about it. It is a question very simply put. We find ourselves in a situation where the people of this province demand services such as health care, education and all the other services delivered by the province, and we need the money to be able to provide those programs. We do that through taxation.

I think it would be remiss on the part of this government or any other not to take its responsibility in making sure it has the fiscal base necessary in order to pay for those programs. Obviously that is difficult in the economic times that we find ourselves in. We have a difficult time, because of the recession, in making sure we have the money to pay for those programs, but we need to find the

revenue somewhere. That is one of the reasons the tax is there, and not the only one.

With that, I see the time on the clock has run out. I had another point to make but it is late at night and I will sit down.

Mr Conway: I have three quick responses. I was very interested in what the member for Lake Nipigon said. I will only say this in response. Six or eight months from now, I am going to want to have a debate in this Legislature with my friend the Minister of Transportation, the member for Nipigon, and we are going to do one thing. We are going to look at the performance of the last Nixon budget as compared to the actual performance of the first Laughren budget.

Interjections.

Mr Conway: No, listen, and I do not want to be interrupted, because I only have two minutes. My friends say they will be happy to do it. I do not hold up that last budget as a paragon of perfection—clearly it was not—but it is very interesting to see how, seven months into the first NDP budget cycle, we have had, for I think good reason, two significant midcourse corrections. I think there is going to be at least one more even more significant adjustment before we get to the end of the fiscal year.

So I simply say that some time late in the calendar year 1992, I am going to come back to this place and we are going to have a look at the actuals, the actual budgetary plan of the Nixon last year and the Laughren first year. We shall see what we shall see. But I am very encouraged by the now two or three midcourse corrections that this is an argument I am going to be able to win quite easily.

I thank my friend opposite, the member for Carleton, for making my main point again, and I say it in summary: The people of Renfrew county are angry at the Hydro policy and the Hydro tax contained in that and at the gasoline tax, not because they do not understand some of the NDP thinking around some of these subjects, but because they see clearly and feel painfully the disproportionate burden they will pay as citizens of rural Ontario for these policies. It is that lack of equity, that lack of fairness that they are surprised to see coming from the NDP on such vital services as hydro and gasoline.

Mr Villeneuve: I will not speak for a long time at this late hour. However, I do want to put some things on the record. I come from a community and represent an area that is very much affected by cross-border shopping. We did have the Minister of Industry, Trade and Technology come to Cornwall about 10 days ago and he presented the mayor of Cornwall with a \$52,000 cheque to promote staying in Ontario.

I will tell the members that is but very small consolation when indeed the price of gasoline on Akwesasne in Massena in New York state is about 40% to 50% less than the price of gasoline in downtown Cornwall and in the riding that I represent. I hear some of the members of the government stating that indeed people are not going to the US for cheaper gas. That is the catalyst that is bringing them to the US and when they are there, then they fill up their trunks with dairy products, poultry products, liquor,

cigarettes and, for all I know, maybe furniture. However, gasoline is bringing them there.

We did speak on a previous tax bill which increased the cost of diesel fuel for the trucking industry. I know some people who have the big semitrucks that roll up and down the 401. They will save \$225 per fill-up. They will bobtail over to Akwesasne and save \$225 per fill-up. If that is not enough to bring them over for cross-border shopping on petroleum, I do not know what is, and I do not think advertising will assist that at all.

I read in the Ottawa Citizen on the weekend that the OPP is being hit very hard with budget cuts. Indeed, do members know what one of their biggest costs are? It is the cost of gas. The tax increase will cost them several millions dollars this year. The same government that is funding the OPP is not even replacing the added tax burden that has been placed on that force, and that is why they are limiting them to 100 kilometres.

Basically, they are telling the OPP, "Go down the 401." I travel the 401 as much as anyone. My colleague the member for Renfrew North has a one-year-old car with 74,000 kilometres; I have a five-year-old car that has 300,000-plus kilometres on it. I know where the OPP stops on the 401 and where it sets up the radar traps and I probably offend as much as anyone by going over the speed limit, because it is a four-and-a-half-hour drive from my home to this place.

Interjections.

Mr Villeneuve: I do have tickets and when I get them, I pay them and I am probably fortunate that I do not get caught every time I speed. However, those are the facts of life. I really sympathize with the OPP, because one of their problems is indeed what we are discussing in this place tonight, the higher taxes on fuel.

One other area of great concern to me is when this government tells me it is raising the tax on gasoline for environmental reasons. I can accept that on the surface. What have they done for environmental reasons? We do know that 10% ethanol in the gasoline we burn would considerably reduce carbon monoxide and carbon dioxide emissions from vehicles. Where are the government's ethanol production plans? I am still waiting for them. Along with this increase in taxation on gas there should have been an ethanol plan, one that would reduce pollution and that we know would reduce pollution. The Americans have gotten rid of MMT in their gas. Why? Because it is a known carcinogen. What do we do here in Ontario? Our octane enhancer is MMT, a known carcinogen.

Mr Klopp: It is federal jurisdiction.

2320

Mr Villeneuve: Yes, my colleague the parliamentary assistant to the Minister of Agriculture and Food tells me it is federal jurisdiction. Well, the federal government happened to make the statement that ethanol as an octane enhancer is the environmental choice, that is their policy, and therefore the federal government is very much on my side. We have western provinces here in Canada that do produce ethanol, providing for a cleaner environment, providing for less

greenhouse effect, which we know is caused by the petroleum as we now use it.

I have to question very, very seriously when this government tells me: "It's for your own good. It is for the good of the environment that we are increasing the tax on gas." Well, I cannot believe them, because they have done nothing to reduce the pollution, and for that very reason I have to say that there is some demagoguery when they tell us that indeed they are doing it to protect the environment.

Another area of concern in the large rural riding that I represent, and my colleague the member for Renfrew North articulated it very well, is the dairy farmers, whose cost of production, cost of manufacturing and cost of transportation will be very much increased. Does this government think that will reduce cross-border shopping? It will indeed enhance the consuming public that will be going to the United States, not only to purchase petroleum but to purchase whatever other groceries and items of daily purchasing that should be occurring here in Ontario.

In economic terms, this government tells us that it needs to increase revenue. Well, do members know what they have reached? They have reached the point of diminishing return. No one has mentioned that. The more this government increases those taxes, the less the consuming public will use. Therefore it will not be enhancing the Treasurer's receipts but will actually be reducing them in the long run. Think of it from a positive way that the point of diminishing return has been reached. We will simply be enhancing cross-border shopping and making our own domestic Ontario products more expensive, not only to produce but to transport. Therefore I cannot in any way, shape or form support this tax increase when indeed this government is doing nothing to correct the problem. It will simply enhance the problem.

Mr Bradley: I always appreciate hearing the member for S-D-G & East Grenville because I think he handles himself in at least partisan a fashion as possible. He has been passionate on a number of the issues that he has brought to the attention of the House. I want to give him credit for one issue, because he used to ask about this when we were in power, and that is that certain kinds of fuels are less damaging to the environment. I think he would feel at least more comfortable with this tax if he thought that it had something to do with the promotion of the kinds of fuels which would, in his view as he has expressed it so well on many occasions, have a double benefit: first of all, an environmental benefit of producing a cleaner fuel and, second, helping the farming community in the province of Ontario by being able to use the material it produces as a raw material for that fuel.

He is once again a person who faces cross-border shopping. People do not realize that. They always think of Niagara Falls and Fort Erie and Sault Ste Marie. They think of the larger centres that are immediately adjacent to the border. He recognizes Massena as another good example right across a border.

He recognizes what is happening with this gasoline tax. I should report to him what this tax is doing and the big decisions that are being made. I was just watching the 11 o'clock news for a moment and watching the bad news

coming out in an official form from General Motors in Oshawa and the difficult decisions it is going to be making in the next week or so, following my questions to the Premier and the Minister of Industry, Trade and Technology.

So I know the member for S-D-G & East Grenville would be concerned about that as well. I hope the government reconsiders this tax and its other tax, the tax on auto workers, very carefully and withdraws them before the end of this session.

Mr Klopp: I would like to take a couple of seconds to address the issue of alternative fuels. I too want them. I do have a strong feeling we also need taxes to help industry to promote those kind of fuels. We are working on them, but we can never go fast enough. I agree with my colleague and I appreciate his keeping the fire burning, because I can assure him his name comes up many times when we are discussing this in closed rooms.

But we also need income, and we also need to help promote the idea that fuels need to be alternative fuels. One of the things that has been said is that if gasoline is too cheap these things do not make self-sufficient alternative fuels. I do believe that has some bearing on it. I would like to see fuel cost nothing, but that does not happen. We also need money so we can help subsidize and start programs up. I hope that is where some of this money will go.

Mr Carr: I am pleased to add a few comments to my colleague and some of his fine comments, in particular with regard to the cross-border shopping issue, which I think he addressed very eloquently.

It was interesting that as we spent a little bit of time in the summer dealing with the Sunday shopping issue, this issue of cross-border shopping came up. I guess it was one of the chaps from Tip Top Tailors who came in and he said, "You know, we can compete with the suits versus the United States," but he also said, "What we can't compete with is the taxes on the booze, the cigarettes and the gasoline." He said: "That is what is doing it to us. It isn't the suits. It's the gasoline tax that is driving people across the border." I think my colleague said it very eloquently when he said, "That's why people are going over."

This chap from Tip Top Tailors said: "We can compete. They go over there and then they pick up a sweat shirt or they pick up a suit, but they are going over for three things: for the booze, the cigarettes and the gasoline." All of which were increased in the last budget by this government in the taxes. That is why they are leaving, that is why people are going across in droves. He is saying very clearly, "We can compete in the other areas."

What is driving people across the border is not because they cannot produce a suit cheaper than the people in the United States. He said we can. They are going across for the three commodities, and what is the biggest factor in those commodities? Tax—tax on the cigarettes, the gasoline and the booze. This member hit the nail right on the head. I would like to say that this is exactly why people are going across, and we are going to fight this.

Mr Conway: I just simply want to say that the member from Glengarry made some very good points. I, like the member for Carleton, had a very pleasant visit with the

member from Glengarry a couple of months ago after what I think can only be described as mind-numbing budget hearings in Cornwall—I repeat, mind-numbing budget hearings in Cornwall. Members had to have been there to have experienced it. There is no penance or purgatory in another creation that would be the match of that experience, thanks to publicly funded Alpha Communications and their splendid works.

At any rate, after that mind-numbing day in Cornwall, the member from Glengarry took us for a bit of a tour, the member for Carleton and me, through the farm district of that great and historic dairy county of Glengarry. I have to tell members that in talking to a number of farmers in that county, they made the point on the energy question particularly. Because, as the member for Oakville South mentioned, it is this cost structure that is causing difficulty for this economy right across the board.

In Cornwall that day we heard about the number of people going across the border in southeastern Ontario to buy dairy products and a variety of other things because they are cheaper. These farmers said, "You've got to do something about costs, you've got to do something about government-imposed costs, particularly for farmers who are competing in this kind of international market." So what have we got to say to the Glengarry farmers? We have, in the space of a few months, a 45% increase over three years announced for electricity—which is vital in terms of their operations—and a 30% one-year increase on the gasoline tax. These members opposite are going to drive these farmers out of business, and their customers across the border in greater numbers to Massena to buy dairy products and a lot more.

2330

Mr Villeneuve: I want to thank my colleagues for commenting. I will try, in the short time I have, to address first the member for St Catharines. He understands very well, because he represents a very similar situation to what I represent, a border town. I think our situation in eastern Ontario is a little worse because we have the Akwesasne Indian Reserve, where there are no fuel taxes, and when a truck bobtails over there and saves \$225 on one fill-up, I do not blame them for going. That is why we have reached the point of diminishing returns.

To my colleague the parliamentary assistant, I wish he would talk about ethanol without having closed doors. It is time we opened the doors and said, "We are going to it now." Get out from behind those closed doors. We have to tackle with a renewable resource the environmental problems we know we are facing.

We are building cars in Ontario with California standards and shipping them to California. Why can we not build those cars and burn clean fuel right here, based partly on a renewable resource, grain. It has never been cheaper than now. The economics are right—let's get at it. If government means what it says, that it is going to assist the environmental situation, it is time we got down to brass tacks and made it happen.

I certainly thank my colleague the member for Oakville South as well, because he understands the situation

quite readily, and of course my colleague the member for Renfrew North. We had a very good evening on the Dyer Road, between Moose Creek and Maxwell, just off Highway 138. The member for Carleton was there, the member for Renfrew North and yours truly at my house. I was amazed that the member for Renfrew North knew more about the Tories than either the member for Carleton or I, so I give him credit for that.

Mr Michlash: It gives me great pleasure to contribute to this debate as well. I also happen to see two northern ministers here with us today, the Minister of Revenue, who of course is responsible for this debate, and the Minister of Natural Resources. I am looking for the archbishop, alias the Minister of Transportation. I am sure he is in the wings somewhere here.

As a member for the north, I have to say that when this government was elected, there were a lot of great headlines across the north saying, "We have six northern ministers in cabinet." Mr Speaker, I would hate to tell you what the headlines read today, but they are not quite that good.

Actually, the people of the north were expecting a lot from this government, but take a look at this tax increase and what it is going to do to people in the north. A lot of people have talked about great distances. I challenge any of them to go throughout their riding and find distances such as those in the ridings of the member for Lake Nipigon or myself, the largest and second-largest ridings in the province. These distances we face every day. As I said, some people from other large ridings have indicated that as well. For me to drive from one section of my riding to another, from one community to another, it takes four and a half or five hours, and that is driving I must do in my own vehicle, driving a lot of other people do throughout the north.

As has been indicated earlier as well, we do not have the mass transportation systems, the GO systems, the tube, as they call it, they have here in southern Ontario, so we do depend a lot on our vehicles, whether it be our cars or our half-ton trucks, and we do travel great distances.

Of course, those distances also play a great part in our industries. As you will know, the north is dependent on its resource industries, resource development, and a lot of those resources must be taken either to the mills or to the plants by vehicles. I said last time on the Fuel Tax Amendment Act that the fuel tax was going to create problems for these people involved in that trucking industry. Now we are on to a gasoline tax, a gasoline tax that is also going to play havoc with the vehicles that are needed for the northern industries we have.

I often think of the time the government said it was going to give the northern drivers their registration fees back, but what it did not tell them was that at the same time it was going to cost them an average of \$110 per driver, per vehicle, for gasoline with this next increase. I received many calls in my riding office or here at Queen's Park saying, "How can we stop the next addition of gasoline tax to us here in the north or across the province?" When they hear about the extra \$110 a year it is going to cost them to drive their vehicles, people want to know how that can be stopped.

Maybe this government can take another look at what it is doing to our resource industry up there and to our personal drivers. I tell them we have six northern ministers around that cabinet table, who should know the issues of the north, who should know the things I am talking about this evening; I tell them that people such as the Minister of Transportation—who has joined us again—are there and can relay these things around that cabinet table, that maybe we should expect a little more from this government, this government that promised so much to the northern people. Unfortunately, I do not think it is going to happen. I feel they have already made up their minds. We are looking at this additional tax, and we are going to see it.

I also have a good number of people who talk to me about how their child will turn 16. It is a relief when a child in northern Ontario turns 16, because all of a sudden the parents no longer have to get up at 5 or 6 in the morning to drive their child to hockey or to swimming or to various events which take place before school. If you were living in Toronto, you could get on the subway and it would take you pretty well anywhere you want to go. In northern Ontario, that is not the case. When a child turns 16, there is a sigh of relief, because now the parents are relieved of an extra duty. They do have another driver to contribute to the transportation, but a costly contribution. Again, these distances are fairly significant, for somebody to go from Red Lake to Balmertown, for example, to go to the arena in the morning, or to the swimming pool over in Cochenour. That is approximately seven or eight miles, a good distance for that, a distance that a lot of people here in southern Ontario just do not think about.

I often say we have two reasons in the north to sigh with relief, and I have indicated one of them. Of course, the other one we have often heard about is when this government changes its mind and reverses its direction. I am indicating to the cabinet ministers here this evening, to the party across the way, that we are looking for that second sigh of relief. We would like them to take a good look at what they are going to do to the northern industries, the northern drivers, come January 1, when this extra burden will be added.

I spoke about the tourist industry a few weeks ago, when we were speaking on Bill 85, the fuel tax. We must take a look at what this will also do to that industry. This amendment of the gasoline tax is going to increase the costs of the tourist operator. We have heard a lot about travel throughout Ontario, travel into the north, but it is going to be an additional cost to that particular operator for a number of things he depends on. As we know, the out-board motor is very important to the tourist operator. The aircraft is very important to getting his guests into remote operations and around the north. That tourist operator is going to be faced with a 30% increase in that cost, so one can only guess what that is going to do for his operations.

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We see throughout the northwest—at least we did—a good amount of tourism and a good amount of the northwest relying on that tourism. But as we have heard other members indicate in the House this evening, that tourist is not going to be there. When the tourist comes across the

border with his Winnebago or whatever vehicle it may be and is faced with the extra high cost of gas as he travels our long distances throughout the northwest, he is going to be very discouraged, discouraged to the point where he may not consider it an option the following years to travel throughout our beautiful part of the province.

What I think it does, and I have seen this quite often, is draw the people from northwestern and northern Ontario out of that part of the province and into the United States. We often hear of people driving from the northern part of the province to the southern part of the province by way of the United States. Whether they cross at Fort Frances, Rainy River or Sault Ste Marie, the main idea is to get into the United States to where the cheaper gas prices are. I must say to the Minister of Transportation that a lot of them feel there are better highway systems down there as well, much easier highway systems to drive, and they will actually take that route through the United States forgetting about the north shore drive altogether. When I ask them they often say, "It's the gasoline tax that took me there."

When we talk about the increase in the taxation we are also talking about aviation fuels. I touched briefly on aviation fuels when I talked about the tourist operator. Many people feel that aviation fuels will mainly pertain to people who are flying back and forth from the north to the south or flying long distances. I think we have to take a look at what this addition to the aviation fuel is going to do to these smaller operations and to the recreational pilot—a personal interest for myself. It is something which is going to hit the tourist operators and those wishing to fly their guests into their operations.

The tourist operator is relying on a good number of vehicles, their four-wheel drives, which some people consider to be a gas guzzler—we will be talking a little more about the gas guzzler tax later in the debate—but we must look at that as a vehicle which is actually necessary to the operator and to many people throughout the northwest who are faced with a good number of weather conditions we do not see here in southern Ontario.

I also think of the great number of people in the north who depend on our natural resources industries and what this increase in the gasoline is going to do in terms of our natural resources bases in northern Ontario.

A lot of people have spoken about cross-border shopping. I think of the things that take people across the border. In many of the surveys that have been brought forth already, some of them conducted by the Ministry of Industry, Trade and Technology of the present government, we find that most people cross that border for a particular item; that item, of course, is gasoline. But it was mentioned earlier by a number of speakers that they do not only pick up gasoline when they go across the border; they are now down there looking for other items which cost much less. The government has to realize that one of the main factors taking people across the border, whether it be to do their cross-border shopping or, as I indicated earlier, to drive that route from northern Ontario to southern Ontario, is the gas prices. From what I hear, a good number of people are there to partake in that.

I mentioned the research done by the present Ministry of Industry, Trade and Technology. They did a survey of 800 people living in seven border communities in Ontario and found that one third of the people interviewed shopped in the US in the month of April 1990. The average amount spent per trip was \$86. Getting back to some of the things I am talking about, some of the things they would go across the border to shop for, as I indicated earlier, 80% of the cross-border shoppers regularly bought gasoline when they crossed into the United States, something very important to the people of our border communities and a drawing factor which not only takes people out of Canada but also prevents them from coming in when they see the atrocious difference in the gasoline prices between our neighbours to the south and ourselves.

In wrapping up, I think what has to happen here is that the ministers, in particular the ministers from the north, must consider some of these very important factors and how this 30% increase in gasoline tax is going to affect us in terms of northern industries, and not only those industries relying on our natural resources but the tourist industry, and how it will actually affect each individual driver throughout the north.

Mr Brown: I would first like to congratulate my colleague the member for Kenora for bringing some northern concerns before this House. I have a few questions I would like to ask the member about his comments. We in the north are quite amazed at an NDP government which, if you read its election promises and understood what it had to say to the people of Ontario, would have led everyone in this province to believe that the north would be a parking lot shortly after its election and that gas prices would be equalized, and gas prices being equalized was code for gas prices going down. To increase gas prices after the promises this government made in the last election is, I think, seen by most northerners as a betrayal of its mandate.

But more than that, I would like to ask the member for Kenora if he would consider the fact that with this 30% increase in gasoline taxes we should be looking at a 30% increase in the amount of work done on our roads. Traditionally, members around here know that there has been a balance between the amount of money raised by fuel taxes and the amount of road work done. It has not been perfect, but it has traditionally been fairly close. With this we are seeing that the 30% increases in gasoline taxes in northern Ontario have resulted in a zero increase in the amount of money spent on northern roads. I find that most offensive. My constituents find that most offensive.

I have a riding much like those of most northern members. I represent a lot of people who have no public transit. They have no alternative. They drive great distances to work, to shop, to live a normal life. Having the Minister of Transportation, who is looking quite exercised at this moment and certainly will get into this, come before this House and do what is being done by six NDP cabinet ministers from the north is just unconscionable.

Mr Villeneuve: I too want to congratulate my colleague the member for Kenora. I have travelled on committees with him. He has told me that from time to time he

takes his aircraft to go to town and I certainly appreciate that. I noticed that during his presentation he talked about the aircraft industry and the tourist industry, which is very dependent on aircraft, and I certainly can appreciate what he was speaking of.

Also, on cross-border shopping I neglected to mention that when we were at the hearing in Cornwall there was a service station close to the International Bridge. The owner of this station told us that on a number of occasions he will have a car stop, take one dollar of gas just to make sure there is enough gas in the tank to get across the bridge to Akwesasne where he indeed fills up, does some shopping and then, I can assure members, refills on the way back home to make sure he has a full tank of gas.

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The province of Quebec has recognized that problem. At many of their border crossings they have an escalating price of petroleum, whereas within five kilometres of the border crossing there is set a very low price. As you get away from the border crossing, the cost per litre increases from five to 10 kilometres till, when you are 20 kilometres away, you are back to the normal price.

I live not only on the New York-Ontario border but also on the Ontario-Quebec border. There was a time when we had Quebec people coming to Ontario to fill up because they were getting an advantageous price. Right now the price of petroleum in Ontario is basically the same as in the province of Quebec. It is slightly higher in Quebec right now, but once the second increase comes in on January 1, our prices will likely be higher than those in Quebec—an unheard-of situation before.

Hon Mr Pouliot: I too wish to congratulate the member for Kenora. We have listened to each and every word.

Mr Speaker, if you will allow me to set the record straight, the member for Algoma-Manitoulin has chosen to be rather lenient and most economical with the truth—yes, it has to be said—by mentioning that no money, nothing, had been spent on roads in the north. I just want to reassure the member. I know he has been particularly busy outside of his riding in the last while. The reality is \$1.1 billion on capital expenditures throughout Ontario, a record number, \$800 million on transfer payments for resurfacing and to help maintenance. That is the reality.

Let's not suspend reality. Let's deal with real figures, in record numbers to help the people all across Ontario and certainly the people of the north. I am from the north. I know, for it is my job, what I am talking about. I wish other people—they are all welcome—would spend as much time and include in their mandate telling their constituents, the people who are paying their wages, the truth.

Mr Miclash: I would like to first of all respond to the comments made by the member for Lake Nipigon, the Minister of Transportation. He indicated that there was no increase of money being spent on roads in the north. I think that is actually the point the member for Algoma-Manitoulin was trying to make. We are talking about a 30% increase in gas taxation but no increase in the money going back to northern highways.

I must remind the minister that I have seen very little improvement in the area in terms of secondary highways going across the north. I am looking for that 30% improvement, the four-laning that his members had no problem talking about during the campaign. I remember very well, during many debates, the NDP candidate saying, "We're going to four-lane the entire north." I would like to ask the minister at this time, how much of that has actually been four-laned so far?

As well, I would like to thank the member for S-D-G & East Grenville for his comments. He brought forth a story of people buying gasoline close to the border, a dollar's worth of gasoline to get them back across the border. I can tell members a lot of stories of people coming up from the States, bringing enough gasoline in five-gallon jerrycans to get them up to their destination, back to the border and to make sure they get across the border.

The member for Algoma-Manitoulin brought up a very interesting point, one which I neglected to mention, the equalization of gas prices across Ontario. That was a campaign promise by a northern member, now the Minister of Northern Development and Mines, a promise that the people of Ontario, especially northern Ontario, looked forward to. We were looking towards that plan. We are still looking. We have seen nothing.

Mr Mancini: I would like to take a few moments to add my comments to the debate on Bill 86. I want to get right to the point. I want to read right from the bill itself. On the first page, under "Explanatory Notes," it says very clearly what the intentions of this legislation happen to be. It says that the amendments in subsections 2(1) and (2) "implement the Treasurer's 1991 budget." Those measures are very clear and very damaging. They are to "increase the tax on unleaded gasoline, effective the 30th day of April, 1991 by 1.7 cents to 13.0 cents per litre," and another 1.7 cents on January 1, 1992. Well, happy new year. That is the new year's gift from the NDP government to Ontario citizens, another tax to take place on the first day of 1992.

Why are we concerned and why do we object most strenuously to this tax initiative by the NDP socialist government? We object because it flies in the face of everything New Democrats had said up until about 15 months ago. We object because they continually break their campaign promises. We object because this is going to further encourage cross-border shopping. We object because the economy is in a tailspin. As I read earlier today, one of the leading bankers in Canada has said that Canada has now entered into a double-dip recession, 17 months of recession, the longest continuous recession since the Great Depression. We see no end in sight yet.

What do we see from the New Democratic Party? Do we see measures to encourage tourists to come to our province? No, not a one. Do we see measures to increase the ability of small business to compete and survive in this province? Not a one. Do we see measures to equalize gas prices in the north? Not a one.

The NDP socialist government has in its cabinet the member for Port Arthur, who is the Minister of Revenue; the member for Rainy River, who is the Attorney General; the member for Sudbury East, who is the Minister of Northern Development and Mines; the member for Algoma, who is the Minister of Natural Resources; the member for Lake Nipigon, who is the Minister of Transportation, and the member for Nickel Belt, who is the Treasurer and Minister of Economics, six powerful portfolios given to northern New Democratic Party members of the government.

One would think that the north would be well served by having six ministers representing large and significant portfolios in the cabinet. The people in the north would think that the views of the northerners would be front and centre as far as issues affecting the north are concerned.

What do we get? We get six ministers who have nothing to say, though they fly into Toronto all right and their government limousines pick them up at the airport, most of them most of the time, and they have one or two aides each carrying their briefcases as quickly as possible, saying, "Yes, Minister, the door to the office is this way and there are letters to sign and also legislation to pass."

But what do the northerners get? That is what we want to know from these six ministers. They are too embarrassed to tell the northerners what they are going to get. But we are going to have to tell the northerners what they are getting. We are going to tell the northerners that they are getting the same tax increase, the same 30% that everybody else is getting. That is on top of the unfair prices they face.

Mr Bradley: In Moonbeam.

Mr Mancini: In Moonbeam. That is on top of the unfair prices, I say to the Minister of Transportation, who made a promise that he would equalize gas prices in the north. He made that promise. He is the Minister of Transportation, a senior member of the cabinet along with his five colleagues. They conveniently set that promise aside. So if they pay eight to 10 cents more a litre, 80 cents more a gallon, in the north than in London, Ontario, that is the way—

The Speaker: Order. Will the member for Essex South take his seat for a moment. It being 12 o'clock, this House stands adjourned.

The House adjourned at 2400.

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98A 1991

98A 1991

ISSN 1180-2987

Legislative Assembly of Ontario

First Session, 35th Parliament

Assemblée législative de l'Ontario

Première session, 35^e législature

Official Report of Debates (Hansard)

Thursday 12 December 1991

Journal des débats (Hansard)

Le jeudi 12 décembre 1991

Speaker
Honourable David Warner

Clerk
Claude L. DesRosiers

Président
L'honorable David Warner

Greffier
Claude L. DesRosiers



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LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday 12 December 1991

The House met at 1000.

Prayers.

ORDERS OF THE DAY

PRIVATE MEMBERS' PUBLIC BUSINESS

SEXUAL ABUSE OF PATIENTS

Mr Eves moved resolution 35:

That in the opinion of this House, recognizing that sexual abuse of patients by health professionals is a serious problem as evidenced by the fact that the Task Force on Sexual Abuse of Patients commissioned by the College of Physicians and Surgeons heard 303 reports of sexual abuse by physicians and others, that the essence of the relationship between a health professional and a patient is based on trust, and further recognizing that patients are vulnerable, and must be protected, the government of Ontario should pass legislation which would:

(a) Amend the Regulated Health Professions Act to include two levels of the offence of sexual abuse of patients: (i) sexual impropriety and (ii) sexual violation as defined in the final report of the Task Force on Sexual Abuse of Patients commissioned by the College of Physicians and Surgeons of Ontario.

(b) Develop a penalty range for sexual impropriety, including reprimand, apology, fine, temporary suspension of certificate of registration, with conditions, or any combination thereof.

(c) Amend the Regulated Health Professions Code to include a fine up to \$20,000 and mandatory revocation of certificate of registration for five years for health professionals found guilty of sexual violation.

(d) Amend the Regulated Health Professions Code so that upon application for reinstatement, the discipline committee, the council or the executive committee must require the applicant to fulfil specific requirements including:

—Having the college publish a notice of application which informs all health professionals of the intention of the applicant to apply for readmission, and outlines how to contact the college with any relevant information prior to the applicant's readmission hearing,

—Providing a written brief demonstrating the ways in which readmission would be in the public interest,

—Making good all financial losses caused by his or her sexual abuse,

—Filing a statutory declaration setting out in full his or her business or employment activities during the period following revocation of his or her licence,

—Filing a certificate from his or her treating professional detailing the course of treatment entered into and stating the treating professional's opinion of the applicant's compliance with the treatment goals and the success of treatment overall,

—Filing a certificate from an independent assessor who has evaluated the course of treatment and formed an opinion as to its success in ensuring that the applicant poses no danger to future patients,

—Filing a series of documents prepared by the treating professional and the assessor, including an assessment of how the abuse occurred, an outline of specific rehabilitation goals and whether or not they have been met and a list of specific changes in behaviour which have occurred through the rehabilitation process,

—Filing a re-entry plan developed by the independent assessor, which includes substantive safeguards to prevent further sexual impropriety or violation,

—Demonstrating a commitment to ongoing rehabilitation therapy, including submitting quarterly reports to the college on the status of his or her recovery.

In hearing an application for reinstatement, the discipline committee would be required to carefully consider each of the aforementioned documents, as well as testimony from the applicant, the treating professional and the independent assessor as to the applicant's understanding of the harm done by his or her abuse and the effectiveness of rehabilitation in this case, the specific changes in behaviour which have taken place, the commitment to ongoing rehabilitation and specific rehabilitation goals, the proposed safeguards in place should the health professional be reinstated, and any practice restrictions including monitoring which are recommended.

Having reviewed all evidence regarding the rehabilitation of the applicant, the discipline committee must be convinced that:

—The evidence presented, including expert evidence, satisfies to a substantial degree of medical and psychological certainty that the applicant will not abuse patients or other vulnerable persons in the future,

—Readmission would be in the public interest.

(e) That the Minister of Health and the Treasurer of Ontario establish a survivors compensation fund to receive all moneys paid as fines for sexual impropriety or sexual violation. In addition, the health professional must pay into the new fund the equivalent amount for fees paid by OHIP as "services" when, in fact, the health professional was sexually abusing the patient. As well, proceeds from a levy of 1% of the annual membership fee of the appropriate body should be forwarded to the fund as a clear demonstration by the medical profession of its collective responsibility to patients who have been harmed by a member of the profession; that the procedure for this remedy be established in consultation with the Women's Health Bureau of the Ministry of Health.

Mr Eves: I want to say at the outset that I must commend the College of Physicians and Surgeons of Ontario for taking the initiative that it has taken in this case. I want to let members know that in the gallery here today are George Morrison, president of the college, and Linda

Franklin, communications director of the College of Physicians and Surgeons of Ontario.

The relationship between a patient and a health professional is one which is based on trust. Patients are extremely vulnerable and must be protected in our society.

The Task Force on Sexual Abuse of Patients of Ontario found that patients are not protected. In fact, the independent task force commissioned by the College of Physicians and Surgeons of Ontario heard 303 reports of sexual abuse by physicians and by others. So far this year, 149 patients have complained to the college about sexual abuse by their physicians. Sexual abuse of patients by health professionals is a serious problem.

As I said at the outset, I would like to commend the college, but I would also like to congratulate Marilou McPhedran, chair of the task force, and members of the task force for a job extremely well done. It is obvious, when one leafs through the lengthy report, which includes some 60 recommendations and a legal appendix in the form of draft legislation, that each member spent countless hours working on this project.

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I and, I believe, other members of my party are committed to a philosophy of zero tolerance of sexual abuse of patients by doctors and other health professionals. We believe in the rationale behind zero tolerance, for the seven reasons enunciated by the task force:

1. Sexual abuse of patients is not acceptable because it inflicts serious harm.

2. It is particularly harmful in that the violation of the patient's trust makes it difficult, if not impossible, for the patient to place his or her trust in health professionals again, providing a major obstacle to recovery in itself.

3. Sexual abuse by a health professional is an excessive abuse of power.

4. Tolerance of sexual abuse by health professionals tarnishes the public trust in health professions, including trust in the majority of health professionals who are providing caring and appropriate care.

5. Zero tolerance is the only philosophy consistent with the protection of the public, which is the primary task of self-regulating bodies.

6. Zero tolerance provides a very clear standard for measuring the effectiveness of policies, procedures, practices and education programs designed to deal with sexual abuse by health professionals.

7. Zero tolerance provides an extremely clear standard of acceptable conduct. It clarifies where the appropriate boundaries in a physician-patient relationship are and will result in an awareness of the presence of sexually demeaning attitudes and behaviour.

We are pleased that a number of groups and organizations have adopted this zero tolerance philosophy. Some of those that have done so to date include the Ontario College of Physicians and Surgeons, the Ontario Hospital Association and the Ontario Medical Association. We believe that all self-regulating health professionals have a responsibility to their patients to ensure that college procedures and policies are sensitive to sexual abuse.

When doctors take on the responsibility of life and death, they also take a Hippocratic oath which enshrines them with absolute trust. The oath reads in part as follows: "In every house where I come I will enter only for the good of my patients, keeping myself far from all intentional ill-doing and all seduction, and especially free from the pleasure of love with women or with men."

My resolution is in response to the findings of the Task Force on Sexual Abuse of Patients and, more specifically, on some of its key recommendations.

First, I think we should talk briefly about the new definitions of sexual abuse. I am supporting the recommendation of the task force that the Regulated Health Professions Code and Regulations contain a new definition of sexual abuse which is much more specific and contains two levels for the purpose of determining penalty.

The task force recommended that the Regulated Health Professions Act include two levels of the offence of sexual abuse of patients: the first level, sexual impropriety, and the second level, sexual violation. Two levels of abuse will allow colleges to relate penalties to the nature of the abuse and to create a distinction, ensuring a more severe penalty for more severe forms of abuse and provide clearer definitions for sexual abuse. Under the definitions of sexual abuse established by the task force, sexual violation is the most serious.

The penalties established for these two offences are as follows. The recommendations are that all colleges "should develop a penalty range for sexual impropriety, including reprimand, apology, fine, temporary suspension of certificate of registration, with conditions, or any combination thereof."

I believe that any health professional found guilty of sexual violation should have his certificate of registration revoked automatically for five years, with stringent conditions required to achieve reinstatement. While this penalty may seem severe, it is appropriate for the offence defined as "sexual violation" for the following reasons.

Any health professional who has sexually violated has committed an act that has inflicted serious harm, often illness, to his or her patient. He or she has disregarded the health and wellbeing of their patient in pursuit of meeting their own personal desires.

A health professional who has sexually violated has also seriously betrayed the fundamental trust that society places in a member of a regulated health profession. This damages the integrity of this profession as well as harming the individual patient.

Rehabilitation programs for sexual abusers are not developed to the extent required to ensure an abuser no longer poses a risk of harm to other patients, especially when we cannot identify prospectively that a particular individual will not re-offend, even after attendance at a rehabilitation program. The criteria put forward by the task force allow for the exceptional case where a physician abuser may be able to demonstrate complete and certain recovery.

The penalty also does not remove any legal right the health professional may have to earn a livelihood. Rather it

removes a privilege of performing authorized acts in the scope of practice within a health care profession.

In keeping with what the task force has recommended, I believe the mandatory penalty should be imposed after the discipline committee has found a health professional guilty of the second level, sexual violation, with automatic revocation of the health professional's licence or certificate of registration for five years as well as a fine of up to \$20,000. The Regulated Health Professions Act code should be amended to require the college to apply specific reinstatement criteria when a health professional found guilty of either sexual impropriety or sexual violation applies to have a suspension lifted or a licence reinstated.

I have several cases here that I will go into in my remarks later on, in proper rotation, as well as some very brief remarks about the survivors' compensation fund, but I might just end my first 10-minute segment with a statement about what I find very disturbing with respect to—it may sound like I am picking on physicians, but I am not.

I happen to be a member of a professional body myself. It is called the Law Society of Upper Canada. In my opinion the Law Society of Upper Canada, although not perfect by any stretch of the imagination, certainly takes professional misconduct in a far more serious manner than has the College of Physicians and Surgeons of Ontario up to a few months ago. I do not understand those physicians out there who think this is somehow an infringement upon their rights. They do not have a right to sexually abuse anybody. They have a privilege of practising medicine when they behave in a professional manner. I do not understand how somebody thinks that a lawyer, for example, should be disbarred and for ever prohibited from practising law because he or she stole money, but if you rape a patient, that is all right. "Suspend me for six months, so I can make my payments on my car and my house, and I will go back to doing what I was doing before."

I do not understand that logic, and that is the heart of this resolution. I think it should apply to all 24 health care professions.

Mr Wessenger: I am very pleased to speak on this resolution. This resolution recognizes a major problem with respect to sexual abuse of patients and I believe all members of the House share a concern that this problem be addressed.

Our government is committed to taking the necessary action to deal effectively with the problem of sexual abuse of patients and we are committed to the principle of zero tolerance of sexual abuse. I am pleased that the College of Physicians and Surgeons has also accepted the principle of zero tolerance. We are determined to deal effectively with the problem. Our government has already recognized this in the Regulated Health Professions Act by requiring each health profession to set up a patient relations committee and also by sending a letter to each health profession requiring it to devise a patient relations program.

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The task force of the college has 60 recommendations and this resolution by my friend deals with five of them. Our position is that we want to study the recommendations

of the task force to refine them and ensure there is an effective enforceable process to deal with the problem of sexual abuse. Our ministry is committed to the processes of an interministerial working group to study the final report of the task force and to discuss its recommendations with all health professions, consumer and public interest groups.

There are certain issues I would like to mention that I think will have to be considered by this working group. Should we amend the act or deal with it in the regulations with respect to the matter of the definitions? Should the definition of standards apply to each health profession or should we have different standards with respect to different health professions? What may be appropriate to a physician or a psychologist may not be appropriate to someone like a pharmacist, because of the question of trust. I think we have to look at that whole question.

We have to consider the definitions themselves because we may need some changes or additions therein.

With respect to the range of penalty, the penalty sets out a mandatory five-year suspension. There may be some circumstances where in fact we should perhaps look at a lifetime ban, because there may be some offences that are so serious that they warrant a lifetime ban. With respect to the whole question of rehabilitation and re-entry, I think these are very complicated requirements and I believe they need further study.

There are many questions with respect to the survivors' compensation fund. Should there be one fund for all health professions? Should there be a separate fund for each profession? Should the contributions to the fund be based on a flat fee, as recommended, or should the fee be related to the whole question of risk? There is no question that in certain health professions there is a much higher propensity to have the problem of sexual abuse than in others, because of the nature of the relationship of trust in certain health professions. Of course there is the other question of who should administer the fund.

I think the task force is a major step forward in dealing with the whole question of sexual abuse. I am certainly looking forward to seeing what we can do and the best way of implementing the report and how it can apply to other health professions. I think it is important that we consult and work with the other health professions to determine how the provisions should apply to them as well as to physicians.

I will be supporting the resolution in principle. I am supporting the fact that we must take action in dealing with this very serious question of sexual abuse. We must refine and define a system that effectively deals with the problem so that we may eliminate it from the whole area of health professions.

Ms Poole: As the official opposition's critic for the minister responsible for women's issues, I am pleased today to speak in support of the resolution by the member for Parry Sound.

As members know, only a few weeks ago the College of Physicians and Surgeons of Ontario received the final report of the Task Force on Sexual Abuse of Patients. As

members know, that task force was chaired very ably by Marilou McPhedran.

I would like to begin by congratulating the board of directors for the College of Physicians and Surgeons. They have shown enormous sensitivity. They have shown that they are willing, indeed eager, to be in the forefront on this issue and to resolve the problems that have occurred in the past. I really commend them for taking the initiative to form this task force. I would also like to congratulate the task force under Marilou McPhedran's chairmanship—I guess I should say chairship—for its enormous contribution. This is the first report of its type in North America. It is extremely comprehensive. It goes to the heart and soul of the issue. If members look at the size of it, they go through everything from guidelines to a history of the problems to comments and case studies. It is an extremely valuable document for this Legislature.

I am very pleased that the member has brought forward this resolution. Some people have said that it is extraneous, indeed unnecessary, because, after all, the College of Physicians and Surgeons has already taken steps to implement the report even though it was only tabled several weeks ago. The Minister of Health has been extremely supportive and has indicated that she intends to move quickly. However, I feel that the member for Parry Sound is to be commended for his commitment to raising this issue and seeing it resolved. I think any time public attention can be brought to an issue like this, it is extremely important.

The abuse of patients by those entrusted to care for them is abhorrent to all of us and there is no excuse for that betrayal. Because of the unequal distribution of power in the doctor-patient relationship, women are particularly vulnerable to their physicians. The physician is in a position of authority and trust.

Whatever the reason for seeking treatment, women are relying on their physicians to care for them and to get them well. When doctors abuse their patients, not only do they deprive them of the treatment they originally sought, but they inflict even more harm. Sometimes it is physical and most often it is severely emotional.

One of the key themes of the McPhedran task force report is that any sexual activity between a patient and her doctor is always sexual abuse. This is what the task force calls zero tolerance. This is the standard it proposed for drafting policies, procedures and programs to deal with the problem.

What does zero tolerance mean? Zero tolerance means we do not tolerate sexual abuse by our health care providers. It means we do not support the ways sexual abuse by physicians is implicitly supported. It means we work towards developing enough support for victims so that they can come forward and heal. Zero tolerance means we work diligently towards educating doctors, other health care providers and the public about appropriate behaviour and attitudes, so that abuse cannot occur as a result of ignorance. Zero tolerance finally means we continue to support touch as a crucial healing part of the practice of medicine.

While this resolution does not specifically mention zero tolerance, the standard is implicit in the various items the member has proposed. In fact, if members look at the

member's resolution and the report, they will find much of the wording is quite similar, in some cases identical. One problem with the resolution is that it is not quite comprehensive enough. I guess it is very difficult to make a comprehensive resolution that would equal the weight of the McPhedran report.

This resolution focuses very heavily on the mechanics of reinstating physicians once they have been found guilty and penalized for an offence or abuse. While that is an important component, I think an attempt to put together legislation has to be more thorough and more comprehensive. I fear it would be premature to jump in with piecemeal solutions to such a sensitive and important problem. The parliamentary assistant mentioned several ways in which we need to work more on this problem and make sure we have absolutely the right solution.

As I mentioned earlier, the McPhedran task force is the first of its kind in North America. It has shown that in Ontario we have been able to take a leadership position on the issue and that it is an issue of great importance not only to women but to the medical practitioners of this province.

If we believe that sexual abuse of their patients by doctors must never be condoned under any circumstances—I think we do believe that in this Legislature—then surely we must tackle the whole problem, not just particular aspects and ramifications. As I said at the beginning of my comments, this resolution may not be comprehensive enough, it may not go far enough, but at the same time I think every member of this House should support it for its intent, direction and specific recommendations.

Any time members bring to this House issues of such importance, I think they should be encouraged and supported. It gives me great pleasure to say I will be voting in favour of the resolution by the member for Parry Sound.

1030

Mr Winner: I am pleased to join in this debate today. I certainly welcome the resolution put forward by the member for Parry Sound. He made some remarks, just in closing, regarding the Law Society of Upper Canada and the kinds of onerous penalties imposed on lawyers, culminating in disbarment for life.

I am unaware, however, that the law society has the kind of concerted sexual abuse prevention program that is contemplated in this resolution. I think the law society might well look at this resolution as a model to fill a gap that I think exists, because the public well knows that sexual abuse and harassment do not just go on in the offices of health professionals. Members of the legal profession often see highly vulnerable clients come to them, perhaps fleeing from domestic violence or family breakup, clients who might place implicit trust in the lawyer and transfer some of the affection that is denied to them elsewhere. I think the lawyers, just like physicians and other health professionals, have a very high standard of conduct that they should abide by.

The problem of physician abuse of patients is not a new one. In fact, in the Corpus Hippocraticum of 2000 BC, concerns were expressed about physician-patient sex. Then again, the report to which my friend the member for

Parry Sound has referred, the report of the Task Force on Sexual Abuse of Patients, documents that in 1784, Benjamin Franklin led an inquiry into physician-patient sexual relations and voiced his concern regarding physicians taking advantage of patients through the misuse of hypnosis, or mesmerism, for example.

The Canada Health Monitor survey, which was authorized by the College of Physicians and Surgeons in October of this year, showed that over 8% of women in the 25-to-44-year range have been sexually harassed or abused, so the problem, as the member for Parry Sound has indicated to the House, is a well documented one. How might we come to grips with this? The resolution is certainly a good starting point, I would submit, for the manner in which we as a House concerned with the problem of sexual abuse and harassment might address it.

Sexual abuse is certainly a gross breach of trust. It is clear that physicians and other health professionals have a fiduciary responsibility to their patients which confers on them the highest order of conduct and that nothing short of that can be accepted. This is why I was pleased to see that the College of Physicians and Surgeons so quickly responded to one of the recommendations in the interim report of the task force, that there be zero tolerance. The resolution of the College of Physicians and Surgeons adopting the zero tolerance principle is certainly commendatory.

However, more steps have to be taken to ensure that the goals of zero tolerance can be actively implemented and monitored to ensure that sexual abuse of patients will not be tolerated, to ensure that there is no implicit support given to physicians who abuse their patients, to ensure that support is developed for the victims of sexual abuse and harassment so that they might be encouraged to come forward and disclose instances of abuse and harassment, and at the same time commence the necessary process of healing themselves of the effects of victimization. Furthermore, the public and physicians in general need to be educated that sexual abuse is very inappropriate behaviour when it comes to patients.

Finally, there has to be a caring and nurturing touch that cannot be removed from doctors treating patients, because that too is part of the healing process.

I believe our Ministry of Health is being responsive to the recommendations that an overall comprehensive plan be developed to address sexual abuse prevention. While the resolution by the member for Parry Sound is a commendable starting point, as it incorporates recommendations 24 and 56 of the final report, there is certainly more comprehensive and thorough review and consultation that has to be done with the stakeholders and with the consumer agencies. In conclusion, I would suggest that once the service providers and advocacy groups have been consulted, a sexual abuse prevention plan, a permanent and lasting and durable one, can be designed and implemented.

Mrs Caplan: I am pleased to have the opportunity to participate in today's debate. I am quite familiar with this issue. I would like to begin my remarks by complimenting first the College of Physicians and Surgeons of Ontario for beginning the task force on what I know has been a difficult and painful subject for the profession to deal with, and

to even discuss in some cases. I see that Dr Morrison is here in the members' gallery this morning, and I hope he will relay my comments to the members of the college. To him personally, I will say I have a great deal of respect for the work he has done and the leadership he has shown.

I know how difficult it was for the college and for all of the members of the profession to initiate this discussion, to then expose themselves to the kind of debate that is occurring not only in this Legislature but in the media and in the press. I think that is a very good example of the kind of leadership we need to have in this province in order that important issues of public concern can be seen to be dealt with not only by those of us in public office, in positions of leadership, but also by those who assume positions of leadership within their own professions. So I express my compliments to the College of Physicians and Surgeons of Ontario.

I would also like to compliment Ms McPhedran and the task force for the outstanding job they have done in raising public awareness and creating sensitivity among doctors in this province, and for doing something else. They have also created awareness that it is not just the doctors of this province who should be concerned with the whole question of sexual impropriety between care giver and patient.

I use the term "care giver" very deliberately, because as we looked at the Regulated Health Professions Act in committee, we realized that this kind of contact between care giver and patient was something of concern not just for doctors but for other care givers. Psychiatrists, psychologists, physiotherapists, occupational therapists, chiropractors, chiropodists—many, many professions that have intimate physical contact with patients are becoming aware that they too have an obligation to act with the highest conduct and standard of propriety in their professional relationships with their patients. This is a very important step that we have taken.

We Canadians—and I speak for myself; I am quite shy about talking about matters of sexuality and a sexual nature in public. We do not like to do that. We particularly do not like to talk about sexual abuse. We do not like to talk about child abuse. We do not like to talk about incest. We are a very private society. But we know that if we are going to change attitudes and behaviours, if we are going to end violence against women and children, if we are going to ensure appropriate conduct among professionals and their clients and their patients, then we must talk about these things.

I also congratulate the member for Parry Sound for putting this on the agenda. I would point out that his motion is a verbatim statement of the recommendations of the task force chaired by Ms McPhedran. It is a verbatim recommendation to the College of Physicians and Surgeons of Ontario, and to the government of Ontario, because it suggests legislative change. But Ms McPhedran's mandate, given to her by the College of Physicians and Surgeons of Ontario, was to make recommendations about the doctors.

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There are now 24 professions about to be regulated in Ontario, each of which I believe has an important responsibility to its patients and to its clients in the matter of sexual propriety and sexual behaviour. They also have, as professionals within a profession, an important obligation to the people of this province to clearly state what their plan is going to be to deal with this issue within each of those professions.

What I mean by that is that under the new act, every college—and the college is the disciplinary and the governing body, the self-regulator and the governor of the profession—will be required to develop programs of public awareness as well as standards of conduct for its members. This was a very important amendment that was included, an amendment posed by the Liberal caucus and accepted by the government. I appreciate and applaud them for their support of that amendment, because it is the beginning. Over the course of the next little while, each of those colleges will develop a program to begin to address this very important issue of sexual impropriety.

But that is just the first step. The recommendations of Ms McPhedran and her task force as it relates to doctors go much further. I know of the debate, often heated—sometimes more heated than I would prefer—that is going on within the medical profession. I believe that debate is important in every one of the professions where a professional has intimate contact—and perhaps not such intimate contact, but still contact—with a patient.

I believe it is very important that the professionals understand their obligations and that they also understand that if they cross that line, they will be held accountable and responsible not only by the patient whose trust they have shattered, whose life they have changed, but also by their governing body and by those of us in public life who speak out on behalf of those whose trust has been betrayed.

The idea of the fund, I think, is a good one. We discussed that at committee and I have a number of quotes, but time does not permit me to read them again into the record. They are in Hansard. We support the concept. We urge the government to move forward. We believe it is important to do this for all of the professions. We believe there needs to be some legislative change, and we will be supportive of that change. It is my hope that today we will all agree that this is an important issue.

Mrs Mathysen: Like many Ontarians, I have watched with horror in the past months as women, one after another, came forward to openly and publicly talk about how they had been victimized and violated by the doctors in whom they had placed their trust. I truly understand the motive behind the member for Parry Sound's resolution. The blatant betrayal of vulnerable patients by their physicians is repulsive. I understand the member for Parry Sound's sense of revulsion that this could happen, and with such shocking magnitude in terms of the numbers of physicians and patients involved, because I share in that revulsion.

Very clearly, the recommendations made by the Task Force on Sexual Abuse of Patients and put forward by the

member for Parry Sound in his resolution must be acted upon. Zero tolerance of sexual violation must be the order of the day.

I was also encouraged by the member for Parry Sound's remarks that not just physicians but the other 24 health professions governed by the Regulated Health Professions Act be included. Unfortunately, the task force commissioned by the College of Physicians and Surgeons of Ontario has in fact focused rather exclusively on sexual abuse among doctors. Its many recommendations were quite naturally appropriate to the medical profession. I feel that at this point the discussion needs to be expanded. It is essential to consult with the other 24 professional groups. Their input will provide useful information and ideas about combatting sexual abuse so that the objective of zero tolerance can truly be realized. We must be sure that in our haste to act we do not inadvertently jeopardize that final goal of zero tolerance. The input from other professional groups will help to highlight which of the task force provisions belong in the omnibus act and which belong in profession-specific acts or regulations. It is very important that this issue is properly resolved. We must do it right.

I would also like to point out that the added benefit of fuller consultation will be the raised awareness and understanding of health professional sexual abuse with those other 24 groups and the general public. This awareness is probably the first and best vehicle for ending this crime against the vulnerable.

One final concern I have with this resolution pertains to the amendments recommended by the task force. They raise some issues in terms of administrative law and the Charter of Rights and Freedoms. We must have a resolution that is effective from a legal and practical perspective. In order to avoid the pitfalls that could jeopardize this resolution, I would support the appointment of an inter-ministerial working group to consider the member for Parry Sound's resolution as well as other task force recommendations and amendments not included here. This, combined with the consultation, would be a powerful and effective tool to end sexual abuse.

I would like to conclude by congratulating the member for Parry Sound and thanking him for his efforts on behalf of the women and children who have suffered unspeakably at the hands of those who should have been committed to keeping them safe. It is incumbent upon this House, all health professionals and the people of Ontario to achieve our goal of zero tolerance and to put an end to all abuse.

Mr Eves: I am encouraged indeed by the remarks made by members on all sides of the House this morning. I might say at the outset, because it certainly sounds as if we are picking on physicians here—it is ironic that because the College of Physicians and Surgeons of Ontario is the only body that has had the intestinal fortitude to come forward and do something about the problem, naturally the debate and the comment centres around that report and that profession. But I do want to make it quite clear, if my resolution does not, that my resolution applies to all 24 regulated health care professions. I do not think that thought should be lost.

There are some very disturbing cases of abuse, which I think have culminated in the College of Physicians and Surgeons of Ontario even starting its task force in the first place. Recently, on October 28 of this year, the *Globe and Mail* published a poll conducted by the Canada Health Monitor and Price Waterhouse Management Consultants which confirms studies in the US. Up until that point in time all studies of sexual abuse in terms of numbers and percentages had been done in the United States and none had really been done in Canada.

In the United States, studies found, generally speaking—I am paraphrasing here—that approximately 10% of doctors had been guilty of some sort of sexual abuse or improprieties during the course of exercising their professional duties. The study in Canada found that 8% of women say they have been sexually harassed or abused by their physicians. In fact, that figure may not be a true and accurate figure and may be a little on the low side, because there was a huge difference between female patients who were contacted by a woman as opposed to a male interviewer. Naturally, I can readily understand that a woman patient would feel much more comfortable talking to a woman interviewer with respect to this particular type of problem.

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I also want to talk about a couple of specific incidents, because I think it is important for the public to realize what some patients are undergoing out there. In October 1990, a doctor, accused of encouraging one of his female patients to press her face against his naked pelvic area, was cleared of sexual impropriety by the discipline committee of the College of Physicians and Surgeons of Ontario. The doctor described this incident as a form of bonding, designed to help his patient overcome childhood traumas. The victim accused the doctor of two separate incidents. The doctor denied the second incident.

The five-member discipline committee dismissed the complaint on three grounds: first, the patient was inconsistent on dates and details of the incidents; second, she waited 18 months before registering her complaint, and last, she went back to consult the doctor after the first encounter and allegedly allowed another incident to occur. The woman's actions are consistent with those of abused or assaulted women.

In 1988, a Metro doctor, who specialized in ultrasound, was convicted on two counts under section 149 of the Criminal Code of Canada of indecent assault on a patient and one count of sexual assault of a patient under section 246 of the Criminal Code of Canada. The third incident occurred after the doctor had been notified of the investigation into his conduct by the College of Physicians and Surgeons of Ontario. The doctor, who had been convicted in a court of law, pleaded guilty to the allegation of professional misconduct at a disciplinary hearing conducted by the college.

One of the doctor's victims was a mentally handicapped woman, with a history of child and marital abuse. The committee heard testimony into this matter from the doctor's psychiatrist, a patient of his who is also a nurse, several doctor friends and the doctor's wife. They all testified to the doctor's upstanding character and stated that it

was not in the doctor's nature to assault his patients. They also talked about the devastating effect these incidents had on the doctor. No consideration was given, that I can see, to the effect on the patients in these incidents.

In its report on this case, the committee stated that it felt the punishment should fit the offence. It took into consideration that the doctor had served the sentence imposed by the district court of Ontario, that he had suffered public and professional humiliation, that he had pleaded guilty before the committee and that revocation was unnecessary to protect the public from this doctor.

The committee decided that the public would be best served by a penalty that would permit the doctor to continue to practise, but on strict conditions and subject to the following penalty: The committee ordered that the doctor be reprimanded and the fact of his reprimand be recorded on the register—quite serious stuff. It also required that his licence to practise medicine be suspended for two years but, third, it said the penalty of suspension itself should be suspended, subject to certain terms and conditions.

Those terms and conditions included—I do not know how much detail we want—that the doctor could continue to practise medicine as long as he continued to receive treatment and guidance from his current psychiatrist or from a psychiatrist of his choice acceptable to the registrar. They required that the doctor waive the confidentiality of doctor-patient relationship between himself and his psychiatrist and direct the psychiatrist to deliver a quarterly report on his progress to the registrar. Third, they directed the doctor to direct his employer or his chief to submit to the registrar on a quarterly basis a report of satisfactory conduct. Last, the doctor was required to have an attendant present during all specialty examinations of female patients.

There was a minority opinion to this judgement, which I think is important, which called for the revocation of this doctor's licence. This opinion, to my mind, more realistically addresses the issue. The author of this minority opinion stated:

"It is the mandate of the discipline committee of the College of Physicians and Surgeons of Ontario to ensure that the public is well protected from substandard care by those whom it has licensed. But also, and equally important, it must ensure that when a physician violates the solemn trust bestowed upon him or her and fails in his or her unique responsibility as a private custodian of a patient's vulnerability and takes advantage of that vulnerability, all while using the camouflage of being a respected physician, and does so not once but on three separate occasions, then the degree of violation of that trust becomes academic and the penalty for such behaviour should reflect the committee's gravest concern." It went on to say, "The doctor's professional peers should view such repeated activity as a most serious breach of professional ethics, utterly reprehensible and totally unacceptable."

Not only has the college in the past been guilty of penalties which I think are far too lenient, but it has also had a problem with lawyers and judges, in that on some occasions when it has taken, in my opinion, appropriate action, we find the courts overruling and throwing out its

recommended penalties for reprimand and suspension. I think that too goes to the root of a much larger problem in our society today.

We are not just here, although I know it sounds like it, talking about physicians and their abuse and their recognition of reality in today's society. This seems to be ingrained in the legal system, in the judiciary and in the attitudes of at least some members of those professions, who do not seem to understand how serious an offence this is. As the member for Oriole and the former Minister of Health has so appropriately put it, I think, these are issues we do not seem to want to talk about in our society today.

Finally, we do have a body that has had the intestinal fortitude to confront this issue head-on, and I would ask it not to give up on its resolve to pursue what I consider to be a very important issue in society today.

I regard my resolution as merely a first step with respect to many health care professions, and other professions in society as well, I might add. I believe there is a difference between the trust which health care professionals have and some other professions. Most of the time, I think it would be fair to say, the trust that is placed in such professions as the legal profession or the accounting profession tends to be of a monetary nature as opposed to being a trust of one's physical and mental person in itself. That is the abuse we are trying to address, or starting to address with my resolution here this morning.

I have talked to the current Minister of Health about my resolution, and although she was not totally happy with the wording—neither am I—I do believe it is a first and important step in going out and consulting with various health care professions and developing legislation which all health care professions can adopt, embrace and embody. Hopefully this will also lead to other professions, such as the legal profession, recognizing zero tolerance in dealing with abuses of this kind.

One thing that does concern me is the fact that during the last week in November just past, the discipline committee of the college handed down a decision with respect to a Sarnia physician, suspending his licence for six months. This physician was convicted in a court of law of abusing 10 different women, although I must say none in the course of his relationship with them as physician to patient, but they were nurses, members of hospital staff and mothers of several young patients.

1100

The fact that this decision was made just two days after the task force final report was released by the very same self-regulating body concerns me greatly. I know this decision was about acts that took place over a period of several years and I know this particular situation, if we can describe it as that, was not in a direct doctor-patient relationship.

But I want to compare it to action the Law Society of Upper Canada took with respect to a lawyer who had been found guilty of sexually assaulting two employees of his, not in his legal profession but in another business operation he had. He was found guilty in a court of law. He did not have any direct relationship with these people as clients. He was disbarred for ever: do not pass go, do not collect \$200, you are out of here.

If the legal profession can take those steps, surely the Ontario College of Physicians and Surgeons can do better than a six-month suspension and, "Don't ever let this happen again because if we ever catch you again we're really going to throw the book at you; you're going to get 18 months next time." That is a joke. It ridicules the task force report. It is time people started to take these things seriously. What the task force report means to me is not just 60 pages of documentation; it means changing attitudes and making the tough decisions that are going to lead to a correction of this problem in society.

I want to speak briefly about the survivors' compensation fund, and I do mean briefly. It was an amendment that has been introduced during committee and unfortunately not accepted, but I believe we must come to grips with this issue as well. I do not think that asking any profession to appropriate or give 1% of its annual dues towards a fund to help individuals that have been abused by any profession—I do not care what it is—is an unrealistic request. As a member of the Law Society of Upper Canada I can contribute one heck of a lot more than 1% of my annual dues to a fund for lawyers who make mistakes. I do not think it is unrealistic. In fact, I think 1% is extremely low. I do not know how anybody could have voted against that amendment.

I ask the government to take this matter seriously. I know legislation cannot be developed overnight. I know this involves more than physicians only. It involves at this stage what we are debating here, the 24 self-regulating health care professions in the province. I encourage consultation. I do not expect the minister to come forward with legislation next week or even in the next couple of months, but I do think we have to get serious about this and get on with the job at hand so that we can develop together, with these professions, a code of conduct and appropriate penalties, where required, that will certainly deter, prevent and educate members of these professions so we can protect the patient and women at large in society.

I am not standing here as a smug lawyer. That the law society does not have a zero tolerance philosophy I think is a disgrace to members of my profession, quite frankly. Unless we as professionals and as individuals in society start to treat these problems seriously and deal with these problems in an appropriate manner, this abuse is going to continue in society. We have to meet this problem head-on. I would encourage all members, regardless of their political stripe, to support what I think is merely a first step down the road in trying to rectify a lot of things that have gone on in the past that I do not think should be allowed to go on in the future.

WORKERS' COMPENSATION ACT, 1991

LOI DE 1991 MODIFIANT LA LOI SUR LES ACCIDENTS DU TRAVAIL

Mr Mammoliti moved second reading of Bill 160, An Act to amend the Workers' Compensation Act / Projet de loi 160, Loi modifiant la Loi sur les accidents du travail.

Mr Mammoliti: Those in this Legislature who know me know I am a fair person and that I would like to see harmony and agreement at all times. If that means we have to sit down sometimes and hash things out and battle and

squirm, then that is what we should have to do. My bill talks about giving the opportunity to certain people to do exactly that, sit down and talk.

We all know Bill 162, the infamous Bill 162 that was introduced and passed in July 1989. That bill spoke of a multi-employer benefit plan. More specifically, subsection 5a(1) states, "An employer, throughout the first year after an injury to a worker, shall make contributions for employment benefits in respect of the worker when the worker is absent from work because of the injury."

My amendment is actually to subsection 5a(9). The people who know Bill 162 will know this particular section has a deadline, that deadline being January 2, 1992. Needless to say, January 2, 1992, is only a blink away, just down the road a few days, so I am urging that this goes through. I will speak a little more on it in a second, but I am urging all members in the House to pass this unanimously in that if it does not go through unanimously, it just will not work.

What will happen if it does not go through unanimously from all three sides will be chaos. The employees will then be put in the position of finding funding on their own for this multi-employer benefit plan and the employers will opt out, which means that some employers—not all employers, but most employers—will opt out of the plan. They will not have to contribute. What does that mean to employees? It means they have to find money, and they have to dish a little more out of their own pockets in terms of contributions.

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It also means, from what I can understand, that there will be chaos in some of the legislation out there in terms of who is responsible for what; the Income Tax Act, for instance, and the Pension Benefits Act. There has been some discussion on where the legality is towards contributions and who will be responsible. In their present form, the multi-employer pension plans are not structured to make contributions, and this could bankrupt some plans.

In addition, they do not have the administrative capacity to manage the additional Workers' Compensation Board requirements. The plans are not structured to make contributions, and it is illegal to do so under the Pension Benefits Act.

Many injured workers would not be covered, causing undue hardship. What are the workers supposed to do? If members will remember, in 1989 this particular clause in Bill 162 was pushed through at the last minute, from what I can understand. There was not much time for debate, there was not much time for anything. The bill was pushed through and we are seeing problems now.

The problem now is that only two of the current negotiating bodies have negotiated. That leaves the rest of them, actually 26 collective agreements, that have not been negotiated. What does that mean? It means that come negotiation time in 1992, we are going to have some pretty angry employees when their employers say, "Because of this particular act, we no longer are responsible for contributing." The workers I speak to—I come from a background of workers myself, and I would also be upset if I sat down with my employers and they said, "Sorry, be-

cause January 2, 1992, has passed, subsection 5a(9) states clearly that we are exempt. We are not going to pitch in and give any more money to that body, those trustees we are supposed to give out this money to." The employees will be upset. What does that mean at work? At this point, I guess we can all just assume, but it is reality.

If my amendment goes through, not only today at second reading but third reading as well—again, I am hoping it will be unanimous consent—it will give the employees and the employers a chance to negotiate, a chance to sit down and talk about who is responsible for what, when and where, and it will give them till 1997 to do that, so it gives them ample time.

I will mention again that only two of the bodies have negotiated this and it leaves 26 that have not, so it is very important.

There is an argument that may come up in terms of legislating. I have had a couple of members talk to me about this already, saying that perhaps it is the Ministry of Labour that should be looking at this as opposed to a private member. I think it is everybody's responsibility, and if I do not take it on, if I do not make this known, if I do not let people know this is an issue, then maybe nobody else will take it on. My answer to the couple of people who will perhaps be bringing it up later is that maybe they are right, maybe it is their responsibility, but we are talking about workers, we are talking about individuals who are going to have to dip into their pockets come January 3 to pitch into their own contribution package.

We have to understand that employers have already—the status quo is there—given in the past. It is a saving for the employer and it is going to be drastic for the employees. So I plead again—and I am looking forward to hearing some discussion on this—to members across and members from the government side to please look at this and give unanimous consent for both second and third reading. We do not have time to go to committee. January 2 is the deadline.

Mr Offer: I am pleased to join in the debate on this particular bill because I think it raises an important issue and one which should be rectified. Certainly we will be standing in support of this legislation in terms of the issue that has been raised and the way in which it can be solved.

I would like to indicate very briefly that what this bill seeks to correct is that the Workers' Compensation Act requires an employer to make contributions for the employment benefits, such as health and welfare, pension plan and life insurance benefits, of a worker whose is absent from work due to a compensable injury for up to 12 months after the injury has occurred. That is what the act now requires.

However, on January 1, 1992, in a short two or three weeks from now, employers in what are called multi-employer benefit plans are exempt from that requirement. So in just a few short weeks, that requirement under the Workers' Compensation Act, which requires an employer to make contributions, will not apply to multi-employer benefit plans.

It is clear that if the contributions are not maintained, many injured workers, and we could be talking about

thousands of people, will not be covered, which will cause, without any doubt, undue hardship. After January 1, 1992, there will without doubt be two classes of employers and workers. First, employers who make contributions and those who do not and, second, workers who receive coverage by their employers and those who do not. What the bill clearly does is, in principle, seek to remedy that by extending the requirement to make contributions for some years down the line.

I have received letters from the Ontario Sheet Metal Workers' and Roofers' Conference; the Provincial Building and Construction Trades Council of Ontario; the International Association of Heat and Frost Insulators and Asbestos Workers, Local 95; the Ontario division of the Canadian Union of Public Employees; the International Brotherhood of Boilermakers, Local 128, and the International Union of Operating Engineers, Local 793, who have written in support of the legislation. I have also had discussion with Gerry Raso of the sheet metal workers' conference and as well from Kate Acs of the provincial trades council, again, all in support.

So we stand in support of the legislation and for the solution to the issue which is going to come about. But to all those who sent those letters and to all of the people who are represented by those who sent those letters and to those to whom I spoke over the phone, I think we have to be very clear as to what process we are going through here.

No matter what the member for Yorkview has stated, this is not government legislation. Make no mistake about it. The government, knowing full well what the issue was going to be, and the Minister of Labour—and I am glad the parliamentary assistant to the Minister of Labour is here today—did not see fit to bring this forward in terms of government legislation.

The government has not embraced the initiative that the member for Yorkview has carried out in his legislation. For those members of the government to send out a message to those people who have written me letters that this is some government initiative is absolutely erroneous and I dare say is playing with those people who are going to possibly fall victim to this particular issue.

If the government had the commitment, if the government took the responsibility, we would have already dealt with this legislation by a government initiative. Saying that they agree with this, the members on the government side put their heads down in shame because they know that is correct. Just two weeks ago we dealt with government legislation that talked about reforms to the Ontario Labour Relations Act as it applied to the construction workers. That was an initiative which was introduced by the Minister of Labour and supported by our party and by the third party. That is an initiative which is now going to be law in this province.

1120

I understand why he introduced the legislation, but the member for Yorkview would have done very well to have tried to convince his own caucus colleague the Minister of Labour to stand up, make a statement and introduce government legislation. They have not done that. It is absolutely clear that though we on this side very much agree

with this legislation, the Minister of Labour and the government have not stood up and introduced legislation, and we know why: They do not yet embrace this concept.

It does not matter what the members on the government side say, we know what the process is here. If the government is in favour of this initiative, then it has the Minister of Labour, and it is the Minister of Labour who should be standing in his place talking about this bill and why it is important to the government. We do not have that.

The second point I want to make is this—and for those who are watching, I am very upset, as I am sure you can see, Mr Speaker. I am very upset that members on the government side would seek to use this issue, would seek to use the many thousands of people who will be hurt by this particular matter, who seek to use this by not having the Minister of Labour—

Mr Mammoliti: Mr Speaker, on a point of order: If we agree on this, what is the point of arguing?

The Acting Speaker (Mr Villeneuve): That is not a point of order.

Mr Mammoliti: Let me finish, Mr Speaker, please. To say that I am "using" is wrong.

The Acting Speaker (Mr Villeneuve): That is not a point of order.

Interjections.

The Acting Speaker (Mr Villeneuve): Order, please. The honourable member for Mississauga North has the floor.

Mr Offer: I speak with great conviction on this, and passion, because I do not like what the government member has done in this respect. This is a matter which is going to affect thousands of workers. The parliamentary assistant, who is looking at me, knows this. The fact of the matter is that the Minister of Labour did not bring forward this piece of legislation. They know very well we stand in favour of it. We support this legislation but we are here on December 11; not another week is going to pass in this Legislature. The members on the government side know that, as we speak here today, there are now countless pieces of government legislation that have to go through second reading and that this bill is not going to proceed further.

That member knows that because the government has not seen fit to place the priority on this type of issue that it should have. We on this side are in support of the legislation. We are in support of the principle. We are in support of curing the problem that is going to arise on January 1, 1992. We are shocked that the Minister of Labour could not have stood in his place months ago and said: "This is the bill and we need reading, we need passage," because we know as we stand here, with but four days left in the Legislature and countless pieces of legislation already to be discussed and already set down for how the last four days are going to proceed, that this bill will not be one of them. I will not let anyone who has written me a letter or whom I have spoken to be taken in by that type of procedure. I think it is irresponsible.

I would have liked to see the Minister of Labour bring forward this piece of legislation. We could have given it passage, as we did but two weeks ago to the changes to the Ontario Labour Relations Act as it affects the construction industry. We did that two weeks ago. We stood up in support, we recognized it was an important issue. We recognized that this is the way in which it could be corrected, and we did so. The government has not seen fit to address this issue the way it did the other issue. We are going to make certain that those people who very much agree with our stance in support on this issue recognize that the government did not have the commitment, the Minister of Labour did not take the responsibility and, as a result, this particular problem will exist January 1, 1992, because of the inaction of the NDP government that now forms the government of the province.

Mrs Witmer: I am pleased to have this opportunity to speak to Bill 160. I would like to indicate at this time that we recognize the importance of passing Bill 160. We recognize that this is going to amend subsection 5a(9) of the Workers' Compensation Act and it is going to require employers to make contributions for employment benefits of a worker who is absent because of injury during the first year after the injury occurred. We realize that if the legislation is not passed by January 2, 1992, it is going to put some of the employees in this province in an extremely uncomfortable and difficult position. We certainly agree with the principle that this needs to be passed.

However, I have had an opportunity to talk to many of the individuals the Labour critic for the Liberals has indicated he has spoken to. I have spoken to the International Association of Heat and Frost Insulators and Asbestos Workers. I have spoken to the International Union of Operating Engineers. I have spoken to the Canadian Manufacturers' Association. I have spoken to the Canadian Federation of Independent Business. I have spoken to the Ontario Sheet Metal Workers' and Roofers' Conference and the International Brotherhood of Boilermakers. I have letters here from CUPE, the Provincial Building and Construction Trades Council of Ontario, the Carpenters and Allied Workers.

I guess the most shocking revelation for me was the fact that these organizations today believed that this was government legislation. They were absolutely surprised, shocked and amazed that this government did not initiate action and had not demonstrated care and compassion for the workers, when it knew it was so imperative to bring this bill forward at this time before the end of this session. I did indicate to them this was a private member's bill and, yes, the Minister of Labour should be here on behalf of the workers in this province and indicating the priority.

In fact, I would indicate to members if the government were to bring in a bill this afternoon, our party would be quite prepared to approve the three readings. However—

Interjections.

The Acting Speaker (Mr Villeneuve): Order, please. Interjections are out of order. The honourable member for Waterloo North has the floor and may proceed.

Mrs Witmer: It is extremely unfortunate that the government has chosen to use the process of a private member's bill to introduce such an important piece of legislation, which, as I indicated before, if not passed, will create—I would not say chaos, but it is going to create undue hardship for many people in this province. This is a most inappropriate use of procedure for the introduction of a bill. I ask the government why it chose to take this route and put the opposition in a position where there is not an opportunity to thoroughly discuss and debate this issue. Why did the government not initiate this action? Why is the Minister of Labour not here today to speak to this issue? Why was this not a priority for this government?

1130

I would like to refer back to Bill 158. Bill 158 was the construction bill which dealt with the Adams report. I would like to talk about the very co-operative manner in which it was developed. I would like to talk about the way in which the two partners, the employers and the employees, were brought to the table. Issues were presented and they were asked to resolve the issues.

As a result, the government approached both the member for Mississauga North, the critic for the Liberal Party, and myself and asked for our co-operation in the passage of that bill. We certainly agreed. We realized the need, the urgency, to pass the bill before the end of the year and were quite amenable in order that the needs of the construction workers in this province would be met in time for them to enter into negotiations in 1992.

Why did the government not do the same thing for Bill 160? Why did it not ask for our co-operation in the swift passage of this bill? I am confident, as I indicated before, that we would have been quite prepared—in fact, we would be quite prepared this afternoon—if the government were to bring forward this bill, to pass it quickly through the three readings. However, we are very disappointed with the process the government has used and at its lack of concern for the workers, because there will be undue hardship created if this bill is not passed this session. The government had an opportunity to introduce the bill, but it did not.

I would also like to mention at this time that we are very concerned, because although they did not have time to bring forward this bill, they have had an opportunity to go off on tangents around the Workers' Compensation Board, a board which we know is totally out of control. Instead of ensuring that this issue be brought forward and dealt with effectively, they have gone off on a tangent. They are now holding six months of hearings to take a look at occupational stress.

I would like to read from what the Employers' Council on Workers' Compensation has to say. According to the study they commissioned, which was done by William M. Mercer Ltd, "Compensating for occupational stress under Ontario workers' compensation is going to produce more than 9,000 claims, costing upwards of \$178 million annually." This is going to open the floodgates to so-called stress-related claims. It is going to create more financial hardship for the WCB, which already imposes the highest average assessment rates on employers of all Canadian

jurisdictions. The unfunded liability, \$9.9 billion, represents future payments for which the WCB has not put aside the money and amounts to some \$30,000 for every business in the province. They go on to say, "It's highly irresponsible for the board to advance this proposal without assessing the financial ramifications and the impact."

This is the type of issue that the Workers' Compensation Board is dealing with instead of dealing with the issue in Bill 160, which would protect the workers in this province. As I have indicated, they are off on tangents. They cannot handle what they have at the present time and yet they go ahead and look at the inclusion of stress.

I find it totally unbelievable because I understand that although there was a bit of limited discussion around the issue contained in Bill 160, they did not proceed. They did not encourage employers and employees. People have been left in the dark and given no encouragement whatsoever. I indicate at this time that although I agree with the principle, I am extremely disappointed that there has been no leadership demonstrated by the Minister of Labour. I am disappointed that he is not here today on behalf of the workers in this province who will be impacted if this bill is not passed today.

I find totally unbelievable the lack of government initiative when it has had ample opportunity. They have been so busy these last few weeks introducing one bill after another, indicating to us that we must sit here until midnight every night to pass the numerous bills that are so extremely important. Yet obviously Bill 160 was not an important issue for the government. They have chosen to use a private member's bill to put forward this initiative. To me that demonstrates a lack of concern for the workers in this province.

I suggest to the member that we will support this bill today. I believe it is absolutely essential that there be co-operation and consultation between employers and employees in this province. This extension is going to allow for consultation. It is going to allow for co-operation. Certainly that is what is necessary. I understand that negotiations are going to be resuming for the building trades in May of this year. Most of them probably will be finalized by September. I agree that more time is needed to resolve this issue and it needs to be resolved in a co-operative and consultative manner. I will certainly support it.

However, I will be introducing an amendment. I do not support the five-year extension. In talking to the groups, both employers and employees, I understand that a one-year extension would be quite reasonable since all of these negotiations are going to take place within a very short time and they can resolve this issue within one year as opposed to the five.

Mr Hope: One thing I ask you to do, Mr Speaker, is to pinch me to see if I am sleeping and dreaming about the Liberals and the Tories actually taking the side of the workers, especially hearing what came out of the member's mouth about Bill 162 and how they consulted.

Interjections.

Mr Hope: Mr Speaker, as you can see, the bears are getting a little hungry because they knew this was going to

be coming out. It is important. When we talk about Bill 162, they talk about consultation. I remember being the consultation part. I want to move back members' memories memory a little.

Interjections.

The Acting Speaker (Mr Villeneuve): Order, please. The member for Chatham-Kent has the floor. He has limited time, so please allow him the opportunity.

Mr Hope: I could go on for ever about what the Liberals did with Bill 162. I will refresh members' memories back to when workers took the doors of Queen's Park and it took the Leader of the Opposition to settle them down, because of the ungodly things the Liberals were doing out there with Bill 162.

We talk about making the changes. I was coming in here and I thought it was going to be a kinder, gentler place in discussing this major amendment that was being proposed. They criticize the government and ask why the Minister of Labour did not bring it in. Let me tell members what the opposition is doing with pieces of legislation today. They asked why we have to sit until midnight. Well, if they would quit talking for two to three hours on issues, putting the public and members to sleep—we have to deal with these issues and this is the most appropriate way of bringing it in so we can expedite it and make sure it is there on time for the benefit of the employees and the employers to discuss this major issue.

The funny thing is when I hear the member from the Liberal Party say that the member for Yorkview brings this in—

Interjections.

The Acting Speaker (Mr Villeneuve): Order, please. Interjections are out of order, particularly when members are not in their seats. Please allow the member for Chatham-Kent to proceed with the debate.

Mr Hope: It is amazing when the bears are this wide awake in the morning. I thought this would be an important debate about what was going on. One of the important things I must add around this bill is that there was a comfortable feeling of the employees and the employers during Bill 162 hearings. An employer had put an objection across. What happened? A member who is now running for the Liberal leadership, the member for York Centre, automatically introduced something without any consultation around this.

An hon member: You're right out of this.

Mr Hope: He says I am right out of this. Let me tell you I have a non-partisan view—it is from the Legislative Assembly research office—that says in the briefing notes what happened around that whole thing. Nonpartisan is basically the issue.

The Deputy Speaker: Order, please address the chair.
1140

Mr Hope: Sorry, Mr Speaker. I am trying to get their attention to make sure they understand what is being discussed today.

One of the important things around this part of the bill is to add an ability to do it. The other part is that Bill 162,

as we all know, was a so-called solution to unsafe working conditions in workplaces. When they introduced it they said, "Let's not fix the workplaces, let's fix the workers' compensation." This was their attack on the working people of this province.

One of the unfortunate things is that they make reference to labour relations stuff. They did not hear the labour movement saying, "We withdraw our services." We participated in that. What these members are looking for is a compromise to make sure they can work it into the collective agreement. I guess they had a similar situation like this with the employer health tax. How was it compromised in that industry of that nature?

It is important. If I had my choice around this part, I would make sure the employers who have created unsafe working conditions for employees were responsible for a lot longer than one year. It is not the fault of the individual that he gets injured by an unsafe piece of equipment or an unsafe part of the workplace he is working in.

They ask why the Minister of Labour did not bring it in. The whole bill needs to be refined to make sure the protection of workers is there and to make sure the health and safety issues are addressed in that nature. I would like to go on for a long time, but I know a number of members, because of the remarks being made—but one of the things that is very important—

Mr Offer: Here we go.

Mr Hope: I am going to speak a little softly so they do not have to yell so much across and maybe everybody will be able to hear what they have to say.

Interjection.

Mr Hope: It would be nice? Okay, I will keep it down to a low roar.

One of the important things we are trying to establish here is a mechanism in place that both the employers and the trade unions work out a compromise deal that would be beneficial to both. I question the amendments the Conservatives have put forward saying they need only one year because negotiations are coming up. Are we pushing them and forcing them into it or should it be done in a compromise? If they give them until 1997 and they do it in one year, then 1997 falls out the door, we will not need it.

Around these multi-employer fashions of discussions, it is important because there are a lot of workplaces out there that are not big corporations and we work around these programs to make sure that we can provide excellent benefits for individuals. But why does it have to be on the backs of the workers, who have not created the unsafe working conditions, to pay for the workers' compensation for one year? I have to ask that question.

Mr Offer: You speak as though we're against the bill. We're in favour of the bill.

Mr Hope: The heckling keeps coming across. I am in favour of the bill. I am even going to go one step further and say there should be a total revamp of the Workers' Compensation Act to make sure it is beneficial to all the people who are injured and accident victims. That is where the important part is. Now I would like to hear the Liberals

and the Tories stand up and say the same thing. No, because their friends are on the other side.

Mr B. Murdoch: You said you would be quiet.

Mr Hope: I said I would be quiet. Good point. I will bring it back down. Seeing the time that is there, I am going to make sure my other colleagues will be able to participate. I will be supporting the bill and I will do everything possible to make sure it is there to help the workers.

Mr Cordiano: There is really only one issue with respect to this proposal today, the private member's bill being advanced by the member for Yorkview. I must say to the member for Yorkview that he is doing the right thing. He is bringing forward this on principle and I think he is well aware that everyone is in favour of this. No one is against it, but there is really one issue.

What it comes down to is the government is unconcerned, at very best unaware, which we know it is not. The minister does not intend to bring forward a government bill, which is the only thing that can advance this in an expeditious fashion to ensure the deadline is met. That is the end of the issue right there, the substance of it. Nothing further need be said about this.

The fact that we are dealing with a private member's bill today demonstrates only one thing: that the government does not see this as a priority. Therefore, had the member for Yorkview—at best the member for Yorkview was duped into this by bringing forward a private member's bill which he knows full well may not see the light of day.

Many a well-intentioned private member's bill—

The Deputy Speaker: Order. There are too many conversations going on. The member for Etobicoke West, please.

Mr Cordiano: Getting back to what I said, the fact is that the government knows full well that the only thing that would see this bill go through is a government bill that is initiated in this House, brought forward into this House by the Minister of Labour, that would see the deadline met, extended for a year, two years, whatever the period required to get agreement from all parties concerned.

No one is debating the substance of this issue. No one is debating the principles on which this is being initiated. What is in question here is the manner in which this is being proposed. In fact, I would go one step further and say that the government does not care about this, because it does not intend to do anything about it. We would like to ask the Minister of Labour, and it might not be a bad idea to ask the Minister of Labour directly, does he intend to extend the deadline? Is he about to do this within the short period of time that remains in this session to accomplish that? It is a simple question which requires a simple answer. If the answer is no, then we are justified in saying the government does not care whether this deadline expires at the end of this year. That is the end of the story. There is no other issue here.

The fact that the member for Yorkview brought forward this initiative speaks to his concern for workers. But I must say to the member for Yorkview, as well as his colleagues who are sitting in the back benches today—and I

see no cabinet minister here in the House this morning, which simply indicates that the government had no real intention of bringing this bill forward—it is simply a matter of bringing forward a process in this House which we know will succeed if the government intends to do the very thing that it says it wants to do.

By going through a private member's hoopla here, we are just simply not going to get the bill through. It is not going to result in the extension of the deadline. Is that not, after all, what we want to accomplish? The members in the back benches can sit there feeling as uncomfortable as they like but, quite frankly, none of us on this side are suggesting for a moment that the extension not be granted. We fully support this, so there is no reason in the world that the government should not bring forward legislation which will extend the process we are talking about in terms of the agreement which needs to be reached.

Let's see the minister bring the bill forward. There is still one week in which to do this. There is no reason in the world why the government cannot do this if it really wants to. That is the issue: Does the government really want to?

The member should not hide behind a private member's bill. I would say to the member for Yorkview that he should not try to be the person who prevents all the criticism from flowing to the government because they failed to do the right thing, which is to extend the deadline. If he is going to stand up as cannon fodder for the government, so be it. But he should not lead other people into thinking this is going to be government legislation when in fact everyone knows that it will simply not result in that being accomplished.

Mr Runciman: I have a few minutes to participate in this debate. I want to indicate that we are supporting the measure, reluctantly. We have some very serious concerns in respect to the process which have already been talked about. I want to put a number of things on the record, though.

The member for Chatham-Kent was complaining, essentially, about the long speeches and the time it is taking to get business through this House, talking about three-hour speeches wasting the time of the public. We are having to sit till midnight now. I want to say that in my view, they ain't seen nothing yet, because I think we are faced with an unprecedented situation in this province.

We have an admitted liar sitting in the cabinet of the province of Ontario: a liar and a slanderer. I want to say that we are not going to allow it to occur. The opposition parties are united in this matter.

Interjections.

The Deputy Speaker: Order, please. I must apologize; I did not hear. I understand, if you said anything—order, please. The member is an honourable member, and if he has said anything which offends this House, he will withdraw it.

1150

Mr Runciman: I simply said what a cabinet minister has already agreed with and has accepted responsibility for, and, especially since you did not hear it, I am not going to apologize.

The member for Chatham-Kent also made disparaging remarks about the Liberal Party and the Conservative Party in respect to union workers and their concerns for workers across this province. I want to say that I take offence at that, and I have a lot of difficulty with any member in the socialist government—

Mr O'Connor: On a point of order, Mr Speaker: I ask you to check Hansard and have him withdraw that remark, because it is clearly on Hansard, unparliamentary language.

Interjections.

The Deputy Speaker: Please take your seat. All members in this House—order, please. The member for Oriole, order, please. In reply to the member for Durham-York, all members in this House are honourable. I have asked the member for Leeds-Grenville to withdraw whatever he said that I happened not to have heard. I take his word.

Mr Runciman: I appreciate your intervention. I wanted to say, in respect to the NDP suggesting that it is the only political party in this province that speaks on behalf of workers, that is nothing less than ludicrous. What it does is it speaks for union bosses; it does not speak for workers across this province. Members simply have to look at the rhetoric at the Ontario Federation of Labour convention, where we talked about even tougher labour legislation in this province where we are losing thousands and thousands and thousands of manufacturing jobs which will never appear in this province again, or look at what is happening with General Motors in Oshawa now, where there may be 3,500 jobs lost.

The labour leaders in this province are not prepared to sit down and compromise and adopt common-sense approaches to worker-management relationships in this province. Those are the people this government is representing; those are the people who are costing thousands and thousands of jobs in this province. So members opposite should not get up with these phoney arguments saying they are representing the workers. This government is not acting in the best interests of workers in this province and neither are its union bleeder chums.

If members want to talk about the Workers' Compensation Board, we support a complete revamping of the Workers' Compensation Act. We have only to look at the significant debt, the unfunded liability—very significant indeed. We have to take a look at what this government is doing right now. It is apparently not concerned. We look at the funding through the health organization set up by the Solicitor General where everybody's relatives and every union boss's relatives have been hired. Who is paying for that? The employers of this province, through assessments of WCB. We do not see much being done about that. We see the WCB renting a big building downtown—

The Deputy Speaker: Thank you. Order, please.

Ms S. Murdock: First of all, I guess as members of this House—I certainly know on a personal level that when I ran, I talked about all the programs that we as New Democrats intended to try to implement. But I know that once we got elected and once I got elected, I represented

all of the constituents in my riding. I did not represent just workers; I did not represent just employers.

Interjections.

The Deputy Speaker: Order. We cannot go on that way. It is your time.

Ms S. Murdock: Anyway, I represented all of my constituents, and that includes both workers and employers. I have never espoused that I represent only workers. I represent everyone, and on that basis I want to say that the other thing I thought of when I came down here as a new member—probably somewhat naïve in the process of how this place works—I understood that private members' hour was something that was worth while and important. In fact, one of the complaints has been that this hour has been rather ill-used in terms of the kinds of things that have been brought forward.

Having said that, I think this bill brought forward today by the member for Yorkview is well worth it, and unfortunately, due to the way things work in this place, it will be speedier going through the private members' process than going through the regular process of bringing forth legislation into this House.

Interjections.

The Deputy Speaker: Order. The member for Mississauga North, order.

Interjections.

The Deputy Speaker: Order. Order. I would ask members to please refrain from holding conversations. The member for Sudbury.

Ms S. Murdock: Unfortunately, the way the system works in this place, it will be speedier going through the private members' hour process, particularly since both parties opposite have stated here that they will be supporting it.

I think there has to be a history lesson in this House today, and the history lesson is on Bill 162 hearings. That is the history lesson. I am somewhat astounded to have heard some of the things that I heard this morning, because this was told to the previous government during the Bill 162 hearings.

Interjections.

The Deputy Speaker: Order. Order. I would ask for your co-operation. I can hardly hear anything in this chair. Please refrain from heckling. The member for Mississauga North, please refrain from heckling. The member for Sudbury.

Ms S. Murdock: Many of the mobile workers in the construction industry—because this is the industry that is most affected—will often have more than one employer in a given year. As a consequence, contributions to their benefits packages are made by more than one employer.

It is unfortunate that some of our members in this House have not grown up. However, given that, the history lesson that I want to teach today is that in the Bill 162 hearings that went through this province—

Interjections.

The Deputy Speaker: Order. Order. The member for Sudbury.

Ms S. Murdock: I just want to remind all of the members that the Bill 162 hearings clearly stated that this was going to be a problem, that January 1, 1992, was too soon. Frankly, it is unfortunate that we have to bring in an amendment this way, but all we are doing is extending it.

I would remind all the people who are watching this or sitting at home and wondering what is going on that it was not our government that caused this problem; it was the previous government. I would like everyone to remember that.

Mr Perruzza: First of all, I would like to thank the honourable member for Yorkview for bringing forward this very important piece of legislation for our review. It is something we definitely need to talk a little about.

It is quite evident that the emotions this bill has elicited from all sides of the House are indicative of the kind of scenario that workers across this province are faced with now, particularly in relation to the Workers' Compensation Board.

I do not have enough time this morning to be able to cover the wide range, the entire gamut of the issues that relate to the Workers' Compensation Board; however, it is noteworthy to mention that we did not create the mess that exists now at the Workers' Compensation Board.

We have, however, taken some steps to correct some of the deficiencies and some of the difficulties that workers are now experiencing there. We have appointed a new leadership, who have taken on their jobs very responsibly and are planning to correct some of the deficiencies that are inherent within the system.

1200

What we are talking about today was a late amendment added to Bill 162. I believe it was called the Ellis-Don amendment; if I were a Liberal here today I would be ashamed because Peterson's brother-in-law wrote his own ticket and the amendment was named after him. We are here today trying to correct yet another terrible mistake perpetrated by the former Liberal government on the workers across this province.

Interjections.

The Deputy Speaker: Order. Please refrain from making these noises.

Mr Mammoliti: I am glad to see that everybody is supporting the bill. Now it is time to vote for the bill and I am hoping I will get that unanimous support I asked for in my opening comments. I am pleased to pass on a message as well from all those labour leaders, and this is coming from their mouths: "Please, please forget your feelings towards the NDP government. Forget your feelings. Try to contain yourselves and please give us unanimous support on this bill. It has to be passed before the new year."

Interjections.

The Deputy Speaker: Order.

Mr Mammoliti: Those, honourable members, are the words of the members they have spoken to who belong to those unions. Members may be yelling and screaming, and

to a degree I can understand that because I do my fair share of yelling and screaming in this place as well. But I do it at the appropriate times. I do it when I feel it is necessary. It is wonderful that members are taking their frustrations out on us. Perhaps members may feel a little insecure, I do not know, but do not take it out on this bill and do not take it out on those workers. I am hoping members will support it, but I see madness. I see people screaming and yelling. Do not take it out on the workers. We need it.

Mr Curling: On a point of order, Mr Speaker: Should not the Minister of Labour be here now?

The Deputy Speaker: Order, please.

SEXUAL ABUSE OF PATIENTS

The Deputy Speaker: Mr Eves has moved resolution 35.

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

1210

WORKERS' COMPENSATION ACT, 1991

LOI DE 1991 MODIFIANT LA LOI SUR LES ACCIDENTS DU TRAVAIL

The House divided on Mr Mammoliti's motion for second reading of Bill 160, which was agreed to on the following vote:

Ayes-58

Abel, Bradley, Brown, Callahan, Caplan, Carter, Christopherson, Cooper, Coppen, Cousens, Cunningham, Curling, Dadamo, Drainville, Duignan, Eves, Farnan, Fletcher, Frankford, Haeck, Hansen, Harnick, Harrington,

Hayes, Hope, Jamison, Johnson, Lessard, MacKinnon, Mammoliti, Marland, Martin, Mathysen, McClelland, McLean, Mills, Morrow, Murdoch, B., Murdock, S., O'Connor, Offer, Perruzza, Phillips, G., Poole, Runciman, Tilson, Villeneuve, Ward, B., Wark-Martyn, Waters, Wessenger, White, Wilson, F., Wilson, G., Winninger, Wiseman, Witmer, Wood.

Nays-3

Arnott, Jordan, Stockwell.

The Deputy Speaker: Pursuant to standing order 94(k), the bill is referred to committee of the whole House.

Mr Mammoliti: Mr Speaker, I ask for unanimous consent to go to third reading.

Some hon members: No.

The Deputy Speaker: There is no unanimous consent. The majority of the House not being in agreement with the request of the member, this bill is referred to committee of the whole House.

Bill ordered for committee of the whole House.

Mr Mammoliti: Mr Speaker, on a point of clarification: Is there a way of finding out who is opposed to this?

Interjections.

The Deputy Speaker: Order, please.

Mr Offer: On a point of order, Mr Speaker, on a matter that has just gone through, which was very important to us on the opposition side: What rule is it when the Minister of Labour does not see fit to come and vote in favour of this type of matter?

The Deputy Speaker: All matters relating to private members' public business having been completed, I do now leave the chair. The House will resume at 1:30.

The House recessed at 1215.

AFTERNOON SITTING

The House resumed at 1330.

MEMBERS' STATEMENTS

ENVIRONMENTAL PROTECTION

Mr McClelland: Brant-Haldimand is a prime example of how the NDP government is treating issues of environmental quality in the province of Ontario. Wetlands and other lands which deserve protection, such as areas of natural and scientific interest and regionally identified environmentally sensitive areas, continue to be impacted upon.

The conservation authority budget has been reduced by interim cuts, despite the government's promise that this would happen only if all other transfer funds were also to be cut. The discovery of illegally disposed of biomedical waste and other materials has raised concerns, not only on the Six Nations Indian Reserve but also in other parts of the province, as the spectre of midnight dumping as a reality is driven home.

Concern is increasingly being raised and expressed about surface water quality in the rivers and streams and the quality of ground water, which is a very important source of drinking water.

In the adjacent riding of Brantford, despite firm promises from the local NDP member that he would have Mohawk Lake cleaned up, nothing has happened. In Norfolk, several large developments are planned in sensitive areas, and although the issue was raised in the House, the NDP government has failed to declare a provincial interest in the Long Point area, despite its being a UNESCO biosphere.

The Liberal caucus is very concerned about these issues and the NDP government's inactivity. Tomorrow I will be meeting with a range of interest groups in Brant-Haldimand, together with Mr Ron Eddy, the Liberal candidate in the by-election that will be held whenever the Premier finds the courage to face the people. With no elected representative in this House, it is much more difficult for the citizens of Brant-Haldimand to have their environmental and other important concerns heard and subsequently acted upon.

LABOUR LEGISLATION

Mr Eves: I have received several letters and telephone calls from constituents who are concerned about the proposed labour legislation.

Jonathan Shaw, general manager of Shaw-Almex Industries, has made several points in correspondence to me which are quite alarming. Mr Shaw states that he is very seriously contemplating relocating his business to the United States or Europe. He goes on to say:

"If many of these measures are adopted, the only possible message being sent to business (who drives the very economy on which we all live and survive) is that the Ontario government does not want our business or our co-operation, and the direct result will be a substantial loss of Ontario jobs! And this fact will rest squarely on the

shoulders of the Minister of Labour, the Minister of Industry and the Premier."

I also received correspondence from the president of the Parry Sound Area Chamber of Commerce. I want to quote directly from her letter because she explains the concerns of constituents quite aptly. She says:

"At this time in the Parry Sound area, every effort must be made to maintain existing manufacturing jobs. The incentives offered by US states encourage competitiveness and prosperity. These current proposals raise the cost and risk of doing business in Ontario. Northern Ontario has been devastated by a variety of economic factors which have left the north in a deteriorating crisis situation.... With Ontario still reeling from the recession, this is not time to upset the balance between management and labour. Please urge the government not to act on these labour relations proposals."

ROYAL CANADIAN LEGION BRANCH 224

Ms S. Murdock: I rise with pride because the Copper Cliff Royal Canadian Legion Branch 224 is celebrating its 60th anniversary today. This branch is named after a man by the name of Mr R. L. Beatty, who started off as a clerk in a grubby little mining town without any sidewalks or anything at the time, the town of Copper Cliff, and over the years grew and developed until he became the president of the International Nickel Co of Canada, at the time it was called that, before it became Inco.

They named their branch after him because of the contribution he made to the community and how much work he did with people and families and the workers in that town.

Copper Cliff is a small community just outside the larger community of Sudbury. It is very much interested in what it does and how it keeps itself.

The Royal Canadian Legion has done much work in maintaining the community interests. It keeps its people together. Tonight they are having celebrations at the Royal Canadian Legion Hall, which is right next to the arena. I hope everyone in Sudbury plans to attend and help Branch 224 celebrate its 60 years of operation. I congratulate them and wish them to have many, many more.

ST JEAN de BREBEUF SEPARATE SCHOOL

Mr Curling: Joining us in the members' gallery today are a number of members of the St Jean de Brebeuf Parent-Teacher Association from my riding. Also present is the local separate school trustee, Mr Harold Adams.

These parents are here because of their concern for the education, safety and welfare of their children. They are here to ask the Minister of Education to ask this government to put an end to the substandard conditions that students and teachers at St Jean de Brebeuf Separate School are compelled to put up with each day because of overcrowding that has reached a critical level.

The current building was built to accommodate 275 students. The current enrolment is 479 students. Wash-room facilities are inadequate and much of the outside

recreational area is occupied by portables. This situation can only get worse, as the northeast part of Scarborough is one of the fastest-growing areas in Metro, if not in the province. We can, in the next few years, expect to be the home of many hundreds of school-age children.

We know that Ontario is in the midst of a serious recession and that provincial coffers are being stretched, but can we as a society afford to shortchange our children? I appeal to the Minister of Education to look carefully at the very real needs of our growing community when next year's capital funding allocations are being decided.

RELIGIOUS EDUCATION

Mr McLean: My statement is directed to the Minister of Education, who seems unconcerned about the confusion and uneasiness that exist around the province concerning religious education.

Last night, approximately 600 people converged on the Simcoe county public school board council chambers because they feel the NDP government is attempting to steal Christmas from them.

School boards, principals, teachers and students are extremely anxious about the celebration of Christmas this year. This anxiety is the direct result of a government and a minister that sit quietly as school boards, principals and teachers are left to interpret what is religious indoctrination as it applies to Christmas concerts and Christmas decorations. Trustees and parents who gathered at Barrie last night heard the story of a banner being torn down from a school in Simcoe county because it carried the words "Merry Christmas."

All this has resulted from the Minister of Education and this NDP government. They have abrogated their responsibilities. The minister has had a memo on his desk that clarifies the status of Christmas concerts, but he refuses to sign it. Perhaps I should remind the minister that there are only 13 days left until Christmas. The minister has transformed that favourite Christmas song "Silent Night" into "Silent Months."

I urge this government to clarify this issue and return Christmas to the parents, students and children of Simcoe county and all across Ontario.

EMPLOYMENT EQUITY

Mr Winner: I rise in the House today to recognize those individuals, those activists for fairness and equality, who stepped forward to make their views known at the Employment Equity Commission public consultation meeting in London yesterday and the day before. The holiday season is a time when our thoughts traditionally recognize the fundamental equality of humankind. I am excited that this sentiment was clearly and directly expressed and acknowledged at the employment equity hearings in London, where the constituency I am proud to represent, London South, is located.

We have heard much about the need for economic recovery in Ontario. Real economic recovery is a result of employment equity for all members of our province. Women, visible minorities, persons with disabilities and native persons have an equal and decisive role with all

Ontarians in learning, training or retraining, and working to build an economy strong with our diverse skills and perspectives.

Commissioner Juanita Westmoreland-Traoré reported there was general support for mandatory employment equity at the London hearings. I praise the fairminded supporters of employment equity in London. Their strength and goodwill may give us a new twist on an old saying and we will all recognize that what is good for people is good for business.

1340

PLANT CLOSURE

Mr Phillips: Yesterday we got the news that another business in Ontario may be closing its doors and moving to the United States. Canadian Auto Workers officials said the Oshawa Buick Regal plant may be closing its doors by the end of 1994-95, leaving about 3,800 workers out of work.

On December 4 in this House the Premier was asked by my leader, the member for St Catharines, if he could guarantee that the people working in the automotive industry in St Catharines would still have their jobs at the end of his term. The Premier said at that time that he was working very closely with the automotive industry in encouraging and allowing for new investment in Ontario.

It is clear from recent events that the Premier is operating on a completely different wavelength from the major business leaders in this province. He has not been able to convince the automotive industry that Ontario is the place for future investment. In fact, this government has gone a long way towards driving business out of Ontario and possibly leaving another 3,800 people out of work.

On December 2, Ken Harrigan, the chairman of Ford Motor Co of Canada Ltd, said: "Queen's Park is doing everything possible to put roadblocks in the way of economic recovery. Not one NDP policy initiative is aimed at stimulating economic growth and competitiveness within the province."

This is the reality of the state of business in Ontario. When is the Premier going to say to the 3,800 workers in Oshawa that he will move to protect their jobs? Will he assure them that they have nothing to fear? What is the Premier going to do to ensure that the people of Ontario have a bright economic future?

CREDIT COUNSELLING

Mr Tilson: I recently received a copy of a letter to the editor from a Mr William Day of Alliston in the riding of Simcoe West. Mr Day very ably expressed the concerns of a large number of my constituents with regard to the decision to cease funding to the credit counselling program. I would like to read his letter into the record.

The letter is to the editor and it says:

"Two weeks ago, the Ontario government announced that it will cease to fund one of our social programs called credit counselling. This program was initiated 25 years ago by the PC government and has since been endorsed by subsequent PC and Liberal governments. The funding is equally matched by our federal government. The pullout

by the current NDP government terminates further federal obligation. The program dies! The repercussions of this demise are serious and multifaceted.

"Most families are in debt to a greater or lesser extent, usually based on relative income. Due to the current recession and to free trade, more businesses are failing here in Ontario or are simply moving out of province. As a result, the number of people left unemployed has swamped the unemployment insurance and welfare programs. In many cases people cannot bail out of their financial commitments because the value of their property is less than that which they initially paid. Programs such as credit counseling allow people to reach a realistic compromise during periods of hardship in such a way to ensure their self-dignity and self-esteem.

"The side effects of being in an untenable position of debt can be devastating to the family unit and to society. Family stability weakens. Antisocial behaviours ensue: alcoholism, child and spousal abuse, impaired driving, assaults, and destruction of public and private property.

"The pullout by the provincial government at this time is shortsighted and irresponsible."

COCHLEAR IMPLANTS

Mr Malkowski: I would like to respond to the statement made by the member for Mississauga South on cochlear implants last Monday. With respect to the W5 interview, my views on cochlear implants have clearly remained on the editing room floor. I do not oppose government funding on cochlear implant research or development, nor do I oppose the surgery as an option for deaf adults. I would also like to clarify that cochlear implant surgery is not even considered by the medical profession as an option for hard-of-hearing people.

During the Ministry of Health's time of consultations, I presented the views of the deaf that had not previously been considered. I recommended then and continue to invite the deaf, deafened, hard-of-hearing and consumer groups to participate in this process. As a member of the provincial Parliament with responsibilities for disability issues, I feel this is my duty.

I would like to read to members a portion of the Canadian Association of the Deaf's position paper on cochlear implants, one of the views which I presented to the Ministry of Health.

"The Canadian Association of the Deaf recognizes that cochlear implants may be of assistance to some adults, particularly those who have been deafened later in life. However, we urge caution on the question of implanting the device in young children.

"Cochlear implants do not restore hearing; they only translate certain environmental sounds into electrical impulses.

"There is no proof that the device improves the educational achievements of the deaf children."

The World Federation of the Deaf, which is affiliated with the United Nations, supports CAD's position in this matter. My own personal view is in favour of providing a full range of information and options for the deaf, deafened and hard-of-hearing.

STATEMENTS BY THE MINISTRY

PUBLIC CONSULTATION

Hon F. Wilson: Listening to the views and concerns of the people of Ontario is a vital part of how this government creates public policy. Our willingness to listen has been demonstrated by initiatives we have undertaken in areas such as rent protection, family support and the employee wage protection program. Members of the public shared their opinions with us in these areas and helped to shape government policy. We know the value of public consultation, and this weekend we will take a big step forward in public participation in government.

Starting Saturday, December 14, people across Ontario will have access to the public consultation process on 13 key economic and social issues through a new phone-in service. The Ontario 1992 telephone number will be publicized in newspapers across the province, along with a coupon that may be mailed in to request information. Our efficient, automated telephone service is able to handle 600 calls per hour. The service is available in both English and French and is accessible to anyone with a hearing disability.

People will be invited to leave their name and address so ministries and commissions can send out information on topics of interest to the callers. They will be provided with background information to help them get more involved in the issues, including information on how to participate in dozens of public consultation meetings throughout the province. This service allows us to hear from all Ontarians, no matter where they live. We are continuing to provide the public access to the government we have always believed in.

This program will require no new money. Funds for the program are drawn from the communication budgets of the ministries and commissions involved. What is more, money is being saved. Setting up this service will cost about \$977,000. Additional charges for long-distance calls will depend on the volume of inquiries. Providing similar access for each of the 13 consultations separately would cost several million dollars. As an added benefit, advertising these consultations together makes it easier for people to get involved in more than one subject.

The Ontario 1992 consultation process concentrates on a balance of economic and social issues. Some of these have been announced and are under way, including employment equity, fair taxes, the 1992 budget and waste reduction. Others will be under way shortly.

Public meetings will be held across the province on many of these issues, but our new phone-in service is a critical part of our consultation efforts. By just picking up a telephone anyone in Ontario has the opportunity to find out information on many vital issues, and then has the chance to ask questions or express views. That is what true consultation is all about.

I would like to acknowledge the valued help of my legislative colleagues the member for Niagara South and the member for Hamilton Centre in bringing these consultations together in a working committee before turning the project over to my ministry for implementation.

I am certain members on both sides of the House will find this a valuable service for their constituents. I look forward to working with all members to ensure Ontarians enjoy the benefits of this program.

RESPONSES

PUBLIC CONSULTATION

Mr Bradley: I thought the minister was going to rise to announce that the Ministry of Transportation and all its employees and jobs promised would indeed be going to St Catharines, but it is simply a reannouncement of what we already exposed to the House, that is, this special consultation committee to enhance the NDP government.

What is most interesting is the first thing I saw when I looked at the back of this: "For more information, contact"—you guessed it—"John Piper, 325-7644," the person who orchestrates the entire NDP government, the Premier's whereabouts and so on.

We recognize the committee that is going to co-ordinate this is made up of NDP operatives. We finally got the secretary of the NDP off the committee after we exposed that in the House, but all the people who work for the ministers who are NDP patronage appointments will of course now be in a position to make these decisions.

1350

I suggest that instead of what they have, the telephone number should be 1-800-NDP-SHAM. That would be an appropriate number because I notice you have to give your name and address if you want to get a response to this. They want your name and address. That fits in with what we found on the secret memo we got from the chief government whip, which says, "They should be keeping lists and using names creatively. This is an opportunity to establish new support bases across Ontario." It also says, "The participating ministries must agree to resource the project."

Therefore, "If there is other vital information that is needed to the people of Ontario, we'll take the money away from that so that we can have people phone in and increase the lists so that Jill Marzetti will be able to send even more fund-raising letters out to the people of Ontario." We can bet that all of them will be there.

We know this consultation kickoff was held at the NDP provincial council, so this is not particularly new. We know it is based on the approach to the budget hearings of the standing committee on finance and economic affairs last summer, where they hired Alpha Consultants to bring to the various committee hearings people who were favourable to the government position—the only people in Ontario who were, but they happened to show up at that particular meeting.

This is a seemingly redundant service that is going to cost \$1 million. It is not going to create any new jobs in Ontario. Everybody has got a job over there in any event. It will perhaps improve the NDP membership list. I can imagine those full-page ads that will be talking about: "Life is Good, Ontario. Preserve It, Conserve It."

My last comment on this is that I do not know why they are even going through this process, because the

Premier is ordering polls to be paid for with taxpayers' money and then he keeps the results of the polls secret to the NDP caucus. I do not know why they are going through this sham in the first place. I am sure our Treasury critic will be able to help us out.

Mr Phillips: I would like to comment on the announcement. As my leader pointed out, it is part of the overall communications plan that we have already seen. In terms of saving money, though, I think we should all recognize that the government will be placing some very expensive ads. The Fair Tax Commission, part of this consultation central co-ordinating committee program, has already hired 15 to 25 community animators. They are being trained today at the Guild Inn. What will these 15 to 25 people do? They will be out in the community animating. That is clearly an additional expense.

The Fair Tax Commission also said it is important that all the parties involved in the community education program be connected by computer. There is an entire computer network being set up to work with these community animators. As my leader asked, who is co-ordinating the community animators? Alpha Consultants. Who are Alpha Consultants? We are not all sure. I see from the briefing document here, "Alpha Consultants Inc, 2 Second Street, Ward Island."

Frankly, what we are looking at here from the CCC committee is clearly a major propaganda move by the government. This is the first step: \$1 million worth of phones, 20 or 25 community animators being trained today and heading out into the community, a whole computer network being set up so they can communicate on a daily basis. This is not a money-saving program; it is a major propaganda program by the government. I ask this government to take a very close look at it.

Mr Stockwell: Has this government no shame? Have they no shame that they could sit on this side of the House over the many years they did and make outlandish complaints about previous governments? They pull this kind of cheap theatrical political stunt and they do not expect the public or the opposition to see through this? They do not call them NDP hacks. They do not call these 20 or 25 people NDP hacks. They call them animators. They invent names for hacks who are going to go in and set up a computer system to do their best to resurrect this collection of socialists.

A million dollars to boost the government's image. A million dollars of taxpayers' money to help this motley crew boost its image around the province, all in the name of consultation. Now the people of Ontario can get up-to-date news on which cabinet minister is going down today; it is a 1-800 telephone number.

We have no consultation on the government's energy policy. We have no consultation on the government's day care policy. We have no consultation on the government's housing policy. All we get is a congratulatory note sent to the government whip and the member for Hamilton Centre about the hard work they have performed working on this committee.

That is all we get here today, and they left out the president of the NDP. They forgot to thank that person, and I understand she worked very hard to ensure government members got all the propaganda in place, all the animators in place, and they found the money within their budget, the \$1 million, when they could not find more than 2% for those who need it in this province.

This party has fallen from any principle, from the ideology they had on this side of the House. They have fallen like no party has fallen before, and this is a sad public attempt to steal taxpayers' money to prop up this government and its sagging public image.

I do not believe they can stand before this opposition today and pass this off as government consultation. They are going to keep the names and addresses of those people who phoned. They are going to keep their addresses and they are probably going to mail them out requests for funding for their party on its own.

It is no wonder we are in debt. We would never stoop this low if we were in government. We would never stoop this low, to take \$1 million of taxpayers' money to prop up their own party position.

Interjections.

The Speaker: Order.

Mr Stockwell: The seals are acting up today. It is clear there was not a good fish feed this morning. It is very clear that this government is now reaching all new lows in its efforts to prop up its sagging popularity.

On this side of the House we will have no part of this \$1-million expenditure. It is a waste of taxpayers' money, and it is a sad day for the socialists when they will stoop this low to prop up their sagging public image.

Interjections.

QUESTION PERIOD

The Speaker: I ask the House to come to order. After question period on Wednesday, November 27, 1991, the member for Carleton (Mr Sterling) raised a point of order concerning the nature of ministerial responsibilities in relation to oral question period and a minister's ability to refer a question to another minister.

Dealing with the first point, members will know that questions directed to a minister of the crown must relate to the minister's official responsibilities as conferred by statute or otherwise assigned.

I begin my review of the parliamentary authorities in this area by quoting citations 409(6), 410(10) and 410(17) of pages 121 and 122 of the 6th edition of Beauchesne's Parliamentary Rules And Forms as follows:

"A question must be within the administrative competence of the government. The minister to whom the question is directed is responsible to the House for his or her present ministry and not for any decisions taken in a previous portfolio."

"The subject matter of questions must be within the collective responsibility of the government or the individual responsibilities of ministers."

"Ministers may not be questioned with respect to party responsibilities."

1400

I also refer members to the 21st edition of Erskine May's Parliamentary Practice, which states the following at page 285:

"Questions addressed to ministers should relate to the public affairs with which they are officially connected, to proceedings pending in Parliament, or to matters of administration for which they are responsible."

These authorities confirm the practice in our own House, namely, that if the minister in question is a minister without portfolio, has no responsibility for a particular program, and is not officially acting for a minister who has a portfolio or program of responsibility, no question can be put to him or her. If the minister without portfolio does have a program responsibility or is officially acting for a minister with a portfolio or program responsibility, then he or she can be questioned on a matter touching on that responsibility.

For example, earlier this session, the member for Scarborough West was minister without portfolio responsible for women's issues. Similarly, in the last Parliament, there were various ministers without portfolio responsible for the government's program for disabled persons and senior citizens. Members were entitled to question such ministers about their respective program responsibilities.

With respect to members who have been appointed to the position of chief government whip, the long-standing practice in this and other jurisdictions is that they are not to be questioned about the duties of that office in the course of question period. In the House of Commons at Ottawa, unlike Westminster, the government whip has no ministerial rank. Nevertheless, neither jurisdiction permits government whips to be questioned in the course of their respective question periods.

It is clear, then, that question period should not be used as a vehicle to question a government member about the duties of an office that is not of a ministerial or governmental nature. The duties of the chief government whip, and indeed all party whips, are of a party nature, although they are exercised in a parliamentary context.

Turning to the specific case raised by the member for Carleton, the House will know that the member for Niagara South (Mrs Coppen) occupies two separate and distinct positions. She is a minister without portfolio appointed under the Executive Council Act and chief government whip appointed under the Legislative Assembly Act.

I have already indicated that the member for Niagara South cannot be questioned concerning her whip's duties. I say further that since the same member has no portfolio or program responsibility and is not acting for a minister with a portfolio or program responsibility, she cannot be questioned about the activities she engages in in her capacity as a member of the government.

In short, given her current responsibilities, the member for Niagara South stands in the same position as a government backbencher with respect to her ability to answer questions during oral question period.

On several occasions in the fall meeting of the House, our practice has been other than what I have just indicated; that is, questions were addressed to, and indeed answered

by, the member for Niagara South without challenge or without anyone rising on a point of order. Regardless of whether the basis of the questions was that she was chief government whip or that she was minister without portfolio or that she was both, the question should not have been asked, or answered, given her current responsibilities.

I believe that the reason for this recent departure from our long-standing practice is that this issue has never been raised in the House on a point of order. Indeed, this is the first occasion on which any Speaker of this assembly has ever ruled on this specific point.

Thus, when the member for Carleton rose in the House last week—and it is to his point that I am responding—it afforded me the opportunity to review our practices and to report to the House in the way in which I have just done. I hope this clarifies the first concern raised by the member for Carleton.

Turning to the member's second concern, members will know that certain questions asked during question period can raise more than one subject matter, and that in such circumstances more than one minister might have jurisdiction to answer the question. The procedure for dealing with such situations is outlined in standing order 32(f), which reads as follows:

"A minister to whom an oral question is directed may refer the question to another minister who is responsible for the subject matter to which the question relates."

This standing order, then, allows the question to be answered by the minister to whom it is directed, or by the minister to whom it is referred.

The member for Carleton questioned the propriety of a minister referring a question to another minister on the grounds that the first minister had jurisdiction to respond to it. In response, I have to say that it is not our practice to query or examine the rationale for referring a question, as long as it raises a subject matter within the responsibility of the minister to whom it is referred. Furthermore, it is for the ministers themselves to decide which of them will actually answer a question that is properly put to the government side.

This is also the practice in other jurisdictions. For example, Erskine May states the following at page 286:

"...it is out of order to ask a minister for his reasons for transferring a question. It is a long-established principle that decisions on the transfer of questions rest with ministers and it is not a matter in which the Chair seeks to intervene."

The other point that should not be overlooked about the exchange to which the member for Carleton has drawn the attention of the House is that no member is entitled to ask, respond to, or refer a question that does not lay within the jurisdiction of any member from the government side. I am alluding here to matters that are within the jurisdiction of the Board of Internal Economy or the Speaker.

In the case now before me, the chief government whip was asked a question concerning a letter she had written that dealt with, among other things, a training session for constituency assistants. The question was referred to the government House leader. I say to members that the question was inappropriate for two reasons. First, as I have

already indicated in the first part of this ruling, the chief government whip is not entitled to respond to, let alone refer, questions in view of the nature of the position she holds. And second, this particular question should not have been directed to any minister because it touched on administrative matters internal to the assembly as opposed to a governmental or ministerial responsibility. Such questions should be raised with the board or with the Speaker, instead of in the House.

In closing, I thank the member for Carleton for raising his thoughtful point of order when he did. It has afforded me an opportunity to offer some guidance to members as to what kinds of questions can and cannot be asked, answered and referred in the course of oral question period.

I thank the members for their patience in the course of my delivery of this extended ruling.

Mr Conway: Mr Speaker, on a point of order: I very much appreciate the work you have done. It is a very significant ruling for this Legislature. I for one am going to review it very carefully. Immediately upon receiving the ruling, one question immediately jumped to my mind—I will simply put it to you now; and we will want to discuss this at a later point. Given this very significant ruling you have now made in this assembly, I wonder under what conditions members of this Legislature could ever put a question to the government House leader, having regard to the fact that in this Legislature, unlike a number of the places to which the ruling makes reference, the leader of the government in this House is not, in that role, a member of council, but rather is Minister of Mines, Minister of Municipal Affairs, Minister of Intergovernmental Affairs, to name but three.

It is a very interesting ruling. I am certainly going to look very carefully at it, and I wonder just at first glance, for example, how we would ever again, in the face of that ruling, question this or any other government House leader in this assembly, having regard to the peculiar nature of the government leader in this assembly.

The Speaker: I appreciate the point raised by the member for Renfrew North. Indeed, as always, I am most pleased to receive any observations any member of the assembly has with respect to the standing orders and my rulings.

Interjection.

Mr Conway: Mr Speaker, I want to correct my own record, because the Premier has asked, and I think it is a good point—when I say "the peculiarity of the position," I mean just that. In this assembly, unlike the Parliament of Canada, which I gather has weighed heavily on this ruling, we do not have a government House leader who is president of the council—or as they do in Westminster—an office in and of itself. The government House leader in our tradition comes here by virtue of another departmental responsibility. As I understand your ruling, I could only question the current government House leader in his capacity as Minister of Municipal Affairs. I presumably could not question him as leader of the government in the House. I do not think that is intended, but it is one of the issues that is peculiar to this assembly.

The Speaker: First, to the member, I realize that his use of "peculiar" would not apply to any member of this assembly. But indeed, as he has already noted, we have an unusual situation with respect to the chief government whip as well as the House leader. I would be pleased to explore this further.

1410

PARLIAMENTARY LANGUAGE

The Speaker: Yesterday, the honourable government House leader raised a point of order about language that had been used in yesterday's question period. I also heard comments on this point from the honourable leader of the third party, Mr Harris, and from the House leader of the official opposition, Mr Mancini. As a result of their comments, I undertook to review the record. Having done so, and before we start today's oral question period, I believe it is important that I take a few minutes to talk in general terms about the use of language in this chamber.

First of all, let me make it quite clear that there is no list of parliamentary and unparliamentary terms. The lists that have been reproduced in Beauchesne's fifth and sixth editions are there for information only and members should not take from these lists that because a certain term was used and ruled unparliamentary on a certain day, that term is for ever to be deemed unparliamentary.

Language is unparliamentary in this chamber, in the House of Commons in Ottawa and in the House of Commons at Westminster, as it is in all of the chambers that are guided by the British parliamentary system, when the Speaker, who has the responsibility to keep and maintain order in the chamber, rules that in her or his judgement, the use of a certain term in certain circumstances is causing disorder and therefore it is unparliamentary in that case.

The second point I would like to make about parliamentary language is that because it is basically a question of order at the time when that language that is deemed unparliamentary is used, therefore, it is usually not useful to go back over a previous day's proceedings and look to see whether or not a term was unparliamentary or parliamentary and that is because the possibility of disorder is then past. There is, however, one very important exception to this practice and that is when an honourable member accuses another honourable member of this House of lying. All members are, I am sure, very aware of this rule and I will use this occasion to explain the reason for this rule.

All members of this House operate from the basic principle that they are all honourable members and that they all speak the truth because they enjoy very special privileges as members. They enjoy the unfettered right of free speech. This privilege brings with it responsibilities and that is why, therefore, it is expected that they all speak the truth.

Yesterday, the honourable member for Oriole (Mrs Caplan) used certain words in an interjection that I did not hear and therefore could not ask her to withdraw. I have since been able to look at Hansard and the honourable member for Oriole did imply that the honourable Minister of Northern Development, who had the floor at that point,

was lying. Had I heard those words then, I would have asked her to withdraw them yesterday. I am asking her now to please respect the tradition of this House and withdraw those words, which I am sure she had not fully intended to use.

Mrs Caplan: I withdraw, Mr Speaker.

The Speaker: I thank the honourable member for Oriole.

Mr Scott: Mr Speaker, might I make a comment on your ruling, to which we submit of course, and ask you to consider another matter. The theory, it seems to me, of the ruling you have read is that because we are all honourable members we cannot impute motives or say that another member is a liar because it reflects on his integrity for us to do so. I ask you to consider this situation. If a member comes to the House and volunteers that he has lied about a given subject matter, it surely cannot be in that case that it is wrong for us to accept that statement at face value and to refer to that person as a liar. I would be grateful to have your comments on that aspect of the ruling in due course.

The Speaker: The honourable member for St George-St David raises a valid point of concern. The distinction to be made of course is the language which is used here in the House. The Speaker has responsibility for what happens in the chamber, but not for what is said outside the House. I can only judge by the comments which are heard in this chamber and of course must rule on it essentially in two ways: First, accusations of lying are not acceptable in the House; and second, any language which leads to disorder in the House. Those are the two occasions, which I believe the honourable member will fully understand.

Mr Bradley: Can this ruling be retroactive to when they were in opposition?

The Speaker: We develop history. Did the member for Parry Sound have a point of order?

Mr Eves: On a point of order and with respect to the honourable member's point to you, Mr Speaker: If an honourable member states in this House that he or she has said something outside the House which is unfounded and untrue, would you as Speaker interpret that to mean that individual is saying he or she has lied?

The Speaker: The Speaker simply accepts the statements which are made by members, and of course since all members are honourable, the statements which are made in the House are the truth.

ORAL QUESTIONS

MINISTER'S COMMENTS

Mr Conway: My question today is to the Premier. It was exactly one year ago today, on December 12, 1990, that the Premier of Ontario, the member for York South, announced to this Legislature and to the people of Ontario beyond this place that he was determined to impose upon his ministers a higher and more stringent standard of public conduct and, in connection with this clarion call to better behaviour and more stringent standards, he announced and released his new Conflict of Interest Guidelines.

Having regard to the Premier's oft-repeated determination to have a higher and better standard of conduct on behalf of his ministers, I want the Premier to explain to me once again how it is, in light of that first-order commitment, he can accept in his cabinet today a colleague who has admitted to going, in her capacity as Minister of Northern Development and Mines, to a public place, Thunder Bay, and in the course of a conversation with a number of officials knowingly impugning the integrity of an Ontario doctor? How is it possible that the Premier can tolerate that in light of what he said to this Legislature one year ago today?

Hon Mr Rae: I think what happened in this instance, as has been said on a number of occasions and can be said again, is that the minister said some things in the course of a conversation with Mrs Dodds that she very much regretted having said. She has apologized for those statements. She has made it very clear that she regrets what took place, and I am satisfied that the minister has had no access to any confidential information. That is what she has told me. That is what she has told the House. In light of the very clear apology the minister has made, I think the steps the government has taken are reasonable in the circumstances.

Mr Conway: The Premier wants us and the people to believe that the Minister of Northern Development in this case made an honest mistake. Any objective observer would agree, I think, that a mistake has about it the quality of ignorance and inadvertence, an accidental quality, if you will.

What is absolutely clear in this connection is that there was nothing accidental, nothing ignorant, nothing inadvertent about what the honourable Minister of Northern Development did. By her own statement, she went forward and knowingly slandered an Ontario doctor. That is not an honest mistake by any objective standard; that is grave misconduct. In a community setting an individual would not go to the penalty box for this; an ordinary citizen would go to court for this in the name of slander and libel.

How can the Premier characterize this as an honest mistake when clearly, by the minister's own admission, it was not inadvertent? It was not accidental. It was premeditated, it was knowing and it was slanderous.

Hon Mr Rae: The member opposite has wound himself up to a point of rhetorical certitude that he may feel he possesses but I am not sure is warranted by the facts or by the situation. I would simply say to the honourable member that his characterization of what has taken place is different from the one I would put on it. I think the minister has made an honest mistake and I would suggest that there are plenty of members around who have made mistakes in similar circumstances.

1420

Mr Conway: My certitude comes from the clarion call that the Premier made to us and the people a year ago today. He set the standard and he has taken on to himself the role of chief justice and arbiter in these connections.

Six months ago I sat in this seat and I watched and I heard my friend the member for Ottawa Centre quite clearly and quite inadvertently breach confidentiality, and

quite by accident. She did the honourable thing. She almost immediately tendered her resignation, and the Premier did the understandable thing and immediately and with regret accepted that.

In light of the December 12, 1990, Bob Rae standard and in light of the Evelyn Gigantes precedent of April 1991, how is it that the first minister can accept the resignation of the now Minister of Housing and sustain and defend the Minister of Northern Development who did not, I submit, by the Premier's own standard and his government's own precedent in the Gigantes matter, commit an honest mistake but a serious and grave misconduct for which she ought to resign in good faith and with honour?

Hon Mr Rae: I listened with interest obviously to the rhetorical flights of the member for Renfrew North. I simply say to him as directly as I can that I disagree with his conclusions, with his statements of fact and with his imputations of various kinds of conduct. The Minister of Northern Development has clearly apologized to everyone concerned for what took place in her conversation with Mrs Dodds and has indicated very clearly that she is sorry for what took place.

Mr Scott: I have a question for the Minister of Northern Development and Mines. I hope she will accept a question on this subject again, because I am trying to understand what she understood about the ministerial rules when she spoke at Thunder Bay last week.

She had the precedent of course of the now Minister of Housing who, having inadvertently released confidential information under the act, resigned. I take it the Minister of Northern Development can confirm for us that when she went to Thunder Bay she knew that if, for example, she released confidential information about a patient or if she released the gross billings of a named doctor she would be in breach of the act and have to resign.

Hon Miss Martel: When I was in Thunder Bay, in the course of the conversation, I did not release any confidential information, anything with respect to doctors' billings or money. At no point in time was any of that information released because I do not have any of that information to release.

Mr Scott: We are all agreed that without the consent of the doctor, if a minister of the crown or anybody else with the information got up in the House or elsewhere and said, "Dr Jones has gross billings of \$408,000," that would be a breach of the act and would require resignation.

Hon Ms Gigantes: The doctor said they did.

Mr Scott: If the Minister of Housing would just tone it down for a minute.

Interjections.

The Speaker: Order.

Mr Scott: Yesterday the Minister of Northern Development released a background paper which reveals, when you examine it closely, the actual gross billings of a doctor in Sudbury. It contains two documents. The first is a document that lists by name all the doctors under the program, and I refer to the single cardiovascular surgeon in the

program, Dr S. S. Aul. There is nothing wrong with that document.

Then a second document is attached behind that with which there is nothing wrong either. It is a case study based on an unnamed doctor in a cardiovascular program whose gross billings are revealed as \$708,688. The minister yesterday, on the basis of information prepared by the Minister of Health, released the gross income of Dr Aul as \$708,688.33.

I put it to the minister that this is clearly a breach of the statute. There is no other cardiovascular surgeon in an underserved area in Ontario except Dr Aul.

Hon Miss Martel: The information the member is referring to is information that was released by the Ministry of Health at a public meeting held in Sudbury last Thursday. That meeting was held very much with a broad number of the public and physicians in the community to deal with the question of the threshold.

The Deputy Minister of Health, Mr Decter, made it very clear that the contents of the case studies to which the member is referring had nothing to do with anyone in northern Ontario. He made it absolutely clear at the meeting that they were case studies only to show how the threshold could be implemented, and second, he said very clearly that none of the cases referred to doctors in northern Ontario.

Mr Scott: There is nothing wrong with listing the name of the single cardiovascular—

Hon Mr Rae: You're wrong. Apologize, you're wrong.

Mr Scott: Will the Premier please hold it, because he knows I am right.

Interjections.

The Speaker: Will the member take his seat, please. The honourable member.

Mr Scott: There is nothing wrong with releasing the name of the single cardiovascular surgeon. That was part one of the paper. There is nothing wrong with doing a case study of an unnamed cardiovascular surgeon in an underserved area. But there is no other cardiovascular surgeon in an underserved area in Ontario. The Minister of Health and the Minister of Northern Development have both breached confidentiality, and I challenge them both to resign, as did the member for Ottawa Centre.

Hon Miss Martel: I think if the member takes a look at the paper again, there is nothing on that page that indicates the random cases that have been selected are from an underserved area. In fact the five cases were randomly selected by the Ministry of Health in order to portray to the public in Sudbury what the effects of the threshold would be.

Michael Decter, the Deputy Minister of Health, made it very clear at the public meeting that none of the cases were referenced to northern Ontario.

The Speaker: New question, third party.

Mr Eves: To the Premier—

Interjections.

The Speaker: Order. The member for Parry Sound has the floor.

Mr Eves: Last June the Minister of Northern Development made an honest mistake. She offered her resignation. The Premier said—and I quote from the Globe and Mail of June 14—that the minister was “upholding the principles of ministerial responsibility and honouring the conflict of interest guidelines governing their behaviour.”

This time the minister has again broken the guidelines, but has not offered her resignation. What does the Premier have to say now about upholding principles and honouring guidelines?

Hon Mr Rae: What I am going to say is what I have said before and I will say it again. The minister made an honest mistake with regard to a conversation that took place. She has regretted what has taken place and, if I may say so, judging from previous questions asked, much of what is now being said is based on completely wrong foundations of fact with regard to what has taken place in this situation and in other situations.

Mr Eves: I do not think there is any mistake or misapprehension about what the facts are. There is really only one issue here. A cabinet minister has clearly broken the Premier's own guidelines as enunciated by him. She has clearly broken guideline 4. Either she deliberately told an untruth and slandered a doctor's reputation or she revealed confidential information. It is as clear as that. It is one or the other. In either case, she has clearly broken the Premier's guideline 4. Why will he not enforce it?

1430

Hon Mr Rae: The minister has clearly apologized for what has taken place. She has made it very clear that is what has taken place. I would make a simple observation that it strikes me that in the circumstances, in terms of the judgements we are called upon to make, the minister has clearly indicated her understanding of the facts with respect to confidentiality. She has made it extremely clear to the House and certainly very clear to me in every conversation that she has never had any access to any confidential information and that there has been no breach of confidentiality by her—and as far as the other allegations that have been made by anyone else are concerned—and in those circumstances the minister has not submitted her resignation.

Mr Eves: Even if we assume the facts as the Premier has just stated them, the fact of the matter remains that the Minister of Northern Development deliberately fabricated a story and slandered a doctor's reputation. The Premier is telling us that the penalty for that is offering an apology. On July 2, 1986, the Premier stood in this House and told David Peterson: “If the government is not willing to enforce the guidelines, it does not matter what they are.... They could have been devised by Moses and brought down from the mountaintop, but if we do not have a Premier who is prepared to enforce the guidelines, they will not make any difference.” The Premier set his own guidelines. Why will he not live by them now?

Hon Mr Rae: Not every offence is a capital offence. That strikes me as a rather basic premise. The premise the member is now putting forward is that he can characterize

anything that happens in any way he wants, that he decides what happens and then decides on his own exactly what has to take place. In the circumstances, given the service of the minister, given the contributions she has made, given the work she has done on behalf of the citizens of northern Ontario, views expressed very strongly by the head of the medical association in Sudbury yesterday with respect to the extraordinary contribution the member for Sudbury East has made to the people of Sudbury and the medical profession in Sudbury, I would say to the honourable member that I think my interpretation of what has taken place has been fair.

Mr Runciman: My question is to the Premier as well. Those of us who were in this House prior to the Premier's coronation are really having a tough time swallowing this issue. Time and time again the Premier stood in his self-appointed judge's chair on this side of the House and demanded blood from David Peterson's ministers, yet now we find out the Premier is content with even lower standards than his.

With respect to the Premier's decision to hang tough and keep the Minister of Northern Development in cabinet, would the Premier please advise us whether or not he is aware of any similar circumstance in any parliamentary democracy whereby a member of the executive council has admitted to a fabrication and slander during the performance of his duties and been retained in office? If not, could the Premier tell us why he believes his decision is an appropriate and responsible precedent?

Hon Mr Rae: I can think of lots of situations, indeed even in the House of Commons, I am told, where people have said things about other people which if said outside or inside in the course of temper would be seen as remarks that should not have been made. Members have been asked in the House here all the time to withdraw comments that have been made. It happens in the House of Commons as well with regard to what has taken place.

I would say to the honourable member, again, let's put this thing into some degree of perspective with respect to what is taking place in the province today and with respect to the public affairs of the province. The fact of the matter is that a minister of the crown, who has served well and served the province well, in the course of a conversation with Mrs Dodds lost her temper and said something she now regrets. She has clearly apologized to the House for that and she has clearly indicated that the mistake was made by her with regard to what she said. I think the minister is serving the province with great distinction.

Mr Runciman: The Premier has only been in office 16 months, yet we have seen more examples of scandal, mismanagement, flip-flops and incompetence than anyone could ever imagine. There has been the NDP member for Welland-Thorold, the NDP member for Ottawa Centre, the NDP member for Oakwood, the NDP member for Victoria-Haliburton, the NDP member for Cambridge, the NDP member for St Andrew-St Patrick, the NDP member for Scarborough West, and twice the NDP member for Sudbury East, and we still have no idea of the standards for the Premier's cabinet. Could he give us a hint?

Hon Mr Rae: Put it in perspective: I ask the honourable member for Leeds-Grenville to do that. I know it is difficult sometimes for it to be done. I say to the honourable member that yes, of course some members have made mistakes and some ministers have made mistakes and I have made more than my share. I suspect the honourable member has made more than one or two at times as well.

Some ministers have submitted their resignations and they have been accepted in situations. The honourable member can shake his head as much as he likes, and I respect him for having a different point of view, but I would say to him very clearly that the government has done its best to serve the people well and to serve the people honestly. I think the public record, on balance and in fairness, would show that.

Mr Runciman: If the Premier is suggesting that I have lied or fabricated something in my life in this House, he is dead wrong. I want to tell him that.

I want to briefly go over the Premier's standards. If a member offends a labour union, he gets kicked out of caucus; that is not okay. If a member poses as a Sunshine Boy, he gets fired from cabinet; that is not okay. If a member goes to jail, he gets a promotion; that is okay. If a member deliberately lies and slanders a doctor, that is okay too. These apparently are the Premier's new standards.

I am going to use unparliamentary language, but I think this is a significantly important matter. Apparently the Premier is quite simply a hypocrite of the highest order, and I am not prepared to withdraw it.

The Speaker: The member for Leeds-Grenville will know that is not an acceptable term to use in the House and I would ask him to withdraw.

Mr Runciman: Mr Speaker, I believe this is a precedent that none of us should be living with. I am prepared to leave the House based on that principle.

Interjections.

The Speaker: Order. I ask the House to come to order.

I would ask the member for Leeds-Grenville to have a moment of reflection, and would ask that he consider that unacceptable language does not contribute to the dignity of the House. I would ask him once again if he would withdraw the remark.

Mr Runciman: I decline, Mr Speaker.

The Speaker: To the member for Leeds-Grenville, who is a long-standing member of this House and indeed has a history of active contribution to this House, I would ask that the member respectfully consider what language he has used and would ask him to please withdraw the comment he made.

Mr Runciman: Mr Speaker, as a final response, I am prepared to withdraw the remarks if the minister is prepared to do the responsible thing and withdraw from the executive council.

The Speaker: Do you withdraw the remark?

Interjections.

The Speaker: Order, please. I regret having to name the honourable member, but I must name the honourable

member for Leeds-Grenville. Mr Runciman, you are named and you are asked to withdraw yourself from the chamber for the balance of the sitting day.

Mr Runciman left the chamber.

The Speaker: New question, the member for Renfrew North.

Mr Conway: I want to return to the Premier on the question of his standards. It is quite clear from questions on this side of the House—

Interjections.

The Speaker: Order.

Interjections.

The Speaker: This House stands recessed for 10 minutes.

The House recessed at 1441.

1451

The Speaker: The honourable member for Renfrew North, I believe, had the floor and was about to pose a question.

Mr Conway: I want to return to the Premier, to his standards, and I want the Premier to reflect with me on what we do know happened in Thunder Bay last Thursday night.

About this there is no contest, apparently: The Minister of Northern Development, in her capacity as a minister of the crown, went to a public place and engaged, as all of us in public life do, in a set of conversations. During the course of one of her conversations, the Minister of Northern Development impugned the integrity in quite a significant way, on the basis of the testimony that has been advanced—the minister has admitted that what she did and said was that she made comments with no basis in truth. That is what she has admitted to having done. That is slander.

Surely the Premier understands that if any of us, most especially this Premier who so eloquently said he was going to raise public confidence by imposing more stringent standards—surely the Premier understands that he cannot defend and harbour within his cabinet a slanderer.

Hon Mr Rae: Let me quote the words of a Sudbury doctor who is a member of the Sudbury and District Medical Society. He is the local medical society's treasurer. He said that "as far as he is concerned the incident is being turned into a witchhunt against Martel. 'It is really being blown out of proportion.'" These are not my words; these are the words of a doctor who made them yesterday on the front page of the Sudbury Star. I say that to the member only because he has reached his own conclusions as to what took place and its significance. It is clear that others have different views with respect to what took place and what should be done about its significance.

I hope the honourable member would at least agree that it is possible for people to have a different view as to what took place and how it relates to the conduct of public business in the province. The member certainly has not benefited from anything she has done. There is no sign of anything of that kind taking place. The minister made some comments in the course of a private argument with Mrs Dodds and has clearly apologized to everyone con-

cerned for what took place, and in the circumstances we should perhaps put this in some perspective.

Mr Conway: I am quite prepared to agree with the Premier that I ought to put this in some perspective and I will tell members precisely the perspective I intend to apply. I intend to apply the perspective that the Premier so eloquently brought to this Legislature one year ago today when he ascended the pulpit, when he planted himself on the high pedestal and spoke from on high that he would restore public confidence by imposing a higher and better standard than existed before he took office.

There is no doubt about what happened in Thunder Bay a week ago last night. There is perhaps an argument about why it happened, but there is no one, least of all the Minister of Northern Development, disputing what happened. She knowingly impugned the integrity of an Ontario physician.

I say again, the only issue for me and it seems to me this assembly, in this connection, is the Premier's standard. Is he still maintaining in light of what he told us a year ago that he can maintain in cabinet and defend in this assembly a colleague who knowingly slandered an Ontario citizen?

Hon Mr Rae: Let me carry on with the comments Dr Abourbih made in Sudbury, because I think they give some perspective, a perspective that is a little bit different from the one put forward by the member for Renfrew North, who again characterizes things in a way in which he clearly doubts nothing and knows everything. I say to the honourable member that if he listens to what the doctor said, he said that he believes "Martel's comments were not meant to smear anyone." Those are his words, not my words. Those are Dr Abourbih's words.

I want to say to the honourable member, in response to the comment he has made, that it is not a question of defending or not defending. It is a question of looking at the way in which the minister has conducted herself, recognizing that what took place on Thursday night was something she very much regrets. She lost her temper. In my view, it is quite out of character for the member. I am completely satisfied with her overall conduct and with her ability to lead the ministry for which she has responsibility.

Mr Harnick: My question is for the Premier. Does the Premier seriously believe that during a heated discussion such detailed, unfounded remarks just popped into the minister's head and then jumped out of her mouth, or is he really Mary Poppins?

Hon Mr Rae: Let me say to the member for Willowdale that if he is asking me whether or not I believe the account the member for Sudbury East has given to this Legislature, my answer to that is yes. If he is saying he does not believe her, let him stand up in his place and say what he thinks.

Mr Harnick: The Premier really is Mary Poppins. The minister has admitted that she lied. In the course of lying, she slandered a doctor. We now see all the conduct that is not reprehensible in his eyes. I would like to know what kind of mistake is reprehensible and what kind of mistake would cause him to dismiss someone from his cabinet.

Hon Mr Rae: I would say to the honourable member very directly that if he is implying—the member for Willowdale cannot duck under this. If he is saying very clearly and specifically that he does not believe the account the member for Sudbury East has given in this House, then I suggest he stand in his place and say that.

1500

PLANT CLOSURE

Mr Johnson: My question is for the Premier. Media reports quote Tom Hoar, chairman of Canadian Auto Workers Local 222 at Oshawa, as saying that production of the Buick Regal will be moved from the Oshawa number two plant to a US location.

I might add that the Buick Regal is the type of car I drive and I bought it expressly because it was manufactured in Ontario and because I believe in the quality of General Motors.

Concern in the community is based on the possible threat to 3,800 jobs in Oshawa, not to mention the thousands of spinoff jobs associated with this plant. Can the Premier tell us what he knows about this?

Hon Mr Rae: I am glad to answer the question from the honourable member. It also is a matter of significant public importance to the economy of the province. I spoke yesterday to senior officials with General Motors. In fact, General Motors has made no decisions with respect to the lines which will be in the Oshawa plant in the 1994 or 1995 period.

I also think it is fair to say, as I have said in answer to questions from the Leader of the Opposition, that it is the case that General Motors is looking—and it was emphasized yesterday by its chairman, Mr Stempel—at the overall situation of the company across North America.

I can tell the honourable member that discussions are still taking place in Oshawa with respect to an agreement between the company and management, as far as I am aware, and from what I was told yesterday, no decisions have been taken with respect to 1994-95.

Mr Johnson: Is it the Premier's view that such reports and rumours are scare tactics, or do they reflect the reality in the auto sector at this time?

Hon Mr Rae: I am firmly of the view that they reflect the reality in the automobile industry across North America. The fact of the matter is that the last year and a half have been very tough years for the automobile industry across North America. It is fair to say it is the view of most of the companies involved that there is some overcapacity in the industry, and it is clear that the companies are looking at the efficiency, the productivity and the capacity of each of the plants in their system. There is no way in which Canada or Canadian plants can be held immune from this reality. We are subject to it because these companies are North American and indeed worldwide in their orientation, and there is no getting around it.

All I can say is that there are intensive discussions going on between the union and the company here as well as in the United States, and it is going to be a situation of some very tough bargaining with respect to the future of

plants and with respect to what is taking place. We are prepared to play as constructive a role as we can but, as I say, it would be an illusion to say that the North American industry is not facing some changes.

MINISTER'S COMMENTS

Mr Conway: I want to return the Premier to that incident in Thunder Bay a week ago last night. He has tried to talk about the opinions of people who were not there. His last answer invited me to consider what some doctor in Sudbury said who was not at Thunder Bay eight days ago. I want to come back to Thunder Bay eight days ago.

We have testimony from two people who were at the actual meeting. One of the people at the meeting has said that the Minister of Northern Development said she had seen a doctor's file and that we would be very surprised when we learned how many charges were going to be laid against him. "It's criminal" is what one of the people at the meeting said. Then the minister, who said these things, said: "What I said was without any foundation. I made comments with no basis in truth."

Those are two testimonials from two people at the meeting. It could not be clearer. I say to the Premier, the people who were there in Thunder Bay agree on the facts of what happened. What happened is that his Minister of Northern Development, for whatever reason, under whatever pressure, as minister, slandered an Ontario doctor. How does that not violate the conflict-of-interest principles that the Premier so eloquently articulated to the province one year ago today?

Hon Mr Rae: I think it is fair to say that the minister deeply regrets what took place and I think it is clear to everyone that she said things she wishes she had not said.

Mr Conway: The Premier has said since becoming first minister and he said with remarkable frequency and passion in the years when he was Leader of the Opposition that there were times when an apology was not good enough.

I want to return to this particular case, because six months ago the now Minister of Housing quite clearly made an honest mistake. We all saw it. I saw it perhaps more clearly than others because she was right across from me. That, I think anyone would agree, was an honest mistake because it had about it the quality of accidentalness and inadvertence.

The testimony advanced by Mrs Dodds and the Minister of Northern Development themselves makes plain that whatever else may have happened in Thunder Bay, the honourable Minister of Northern Development was not inadvertent in her comments. What she did she did knowingly and with some gusto, according to the evidence.

How is it that six months ago the Premier could have accepted the member for Ottawa Centre's resignation and today he persists in defending and maintaining in cabinet an admitted liar and slanderer?

Hon Mr Rae: I would simply say to the honourable member I am sure it is the case that almost regardless of what ministers did on this side of the House, he would be asking for their resignation.

The Speaker: New question.

Mr Harnick: My question is to the Minister of Northern Development. Today's Toronto Sun quotes Dr Kosar as saying he had a meeting with Miss Martel and he said, "Martel said it's difficult to justify why three GPs would be billing over the threshold...it sure left us with the impression she had information she shouldn't have." That was the doctor's quote.

My question to the minister is, how did she have this information?

Hon Miss Martel: When all this started in Sudbury, and it has been going on for some weeks, I asked the Ministry of Health to provide me with two sets of information, both of which are public information.

First of all, I asked for information with respect to which doctors were on the underserved area program, because I knew that those who were on the program were exempt from the threshold. I also asked the Ministry of Health to provide me with numbers of physicians or specialists who in fact may be over the threshold by the end of the year. I did that because I was trying to ascertain how many people in Sudbury would be affected.

The Ministry of Health provided me with both these sets of public information: one, a list of doctors on the underserved area program and, two, the number of people who would be affected. Those numbers, as I mentioned yesterday, are 35 in northeastern Ontario and 17 in Sudbury in total; 13 of those are specialists and four are GPs.

Mr Harnick: Dr Kosar also said, "At one point I mentioned that I didn't make the threshold, and she said, 'Oh, I know you don't.'" How did the minister know personally that Dr Kosar did not make the threshold if she did not have that information in front of her?

Hon Miss Martel: I have no information with respect to the incomes of individual physicians or doctors. I knew very clearly that Dr Kosar was not going to have a problem because he is on the underserved area program and therefore he is exempt from the threshold.

Again I want to say to everyone who is here that I have never, ever seen any confidential information from OHIP or anyone else with respect to OHIP billings or doctors' incomes.

1510

PUBLIC CONSULTATION

Mr Frankford: I am very interested in today's announcement by the Minister of Government Services. Can the minister tell the House why he opted for a single central ad campaign and phone line?

Hon F. Wilson: I thank my colleague for his question. I am very happy with the decision we have made to run a single set of ads and one telephone line. By co-ordinating the consultations we have realized significant economies of scale. The consultation effort was very cost-effective, and will continue to be. Just as important, a single phone line will make it easier for the citizens of Ontario to avail themselves of information on 13 economic or social initiatives of this government. In short, one co-ordinated process saves on expenses and provides accessibility.

Mr Frankford: The minister has heard members on the other side of the House saying rather cynically that he will be making use of the names of the people who participate in the consultations. Can he assure the House this is not the case?

Hon F. Wilson: Yes, I can. This is a service of the government of Ontario. The names and information—

Interjections.

The Speaker: Minister.

Hon F. Wilson: Thank you, Mr Speaker. The names and information gathered through this process will be forwarded to the ministries responsible for the consultation effort. There will be no central registry kept of these names at all and they are indeed protected by the Freedom of Information and Protection of Privacy Act.

MINISTER'S COMMENTS

Mrs Caplan: My question is to the Minister of Northern Development. I would like today to pursue questions from yesterday. We know sensitive information was sent at the request of the minister's office from Kingston to Toronto. We know it was received by Mr Eugene LeBlanc, who is an executive direction of policy, a senior official of the Ministry of Health.

I believe the minister knows Mr LeBlanc. He has responsibility for briefing the minister and members of her cabinet on policies, particularly in the underserved area program. I believe he rightly would feel he could share with the minister any information, because as minister of the crown she has an obligation not to divulge confidential information.

I believe and I know that ministers every day deal with sensitive, confidential information. I am asking the minister today, because I believe she knows it would be the right and honourable thing to stand aside, if it is correct, as I believe it is, that she did not fabricate without knowledge either in her discussions with the doctors in the east lobby on December 2 or in Thunder Bay on December 5, but did divulge information she had received that was in her possession improperly. I ask the minister today: Will she step aside? Will she do the honourable thing? Will she step aside?

Hon Miss Martel: Let me make it absolutely clear to this member and others in the House I have not seen any confidential information from anyone. Nothing was given to me at any point. No one asked me to review any confidential information, no one called me with any confidential information, no one—absolutely no one—has given me any confidential information with respect to physicians' billings or incomes. I have tried to make that absolutely clear.

I have done the best I can to try to minimize what is a serious situation. I have talked to all those people who have been involved. I have apologized directly to them. It is a serious mistake. I regret having made it, but I think I have done everything I can to minimize it.

Mrs Caplan: I am very aware of the extensive briefings she receives as a minister and of the confidential and sensitive information which is in her care. I know sensitive

information was sent to Mr LeBlanc. I know the minister has met with him and that he has briefed her. I ask the minister today if she will do the honourable thing and step aside?

Hon Miss Martel: Again, I have not received any confidential information from anyone through briefings or anything else at any time. I have taken the actions I think are necessary and appropriate to minimize the damage I have done. I have talked to everyone who has been involved. I have done what I can to rectify and make amends.

Mr Eves: Has the Minister of Northern Development ever discussed in any way, shape or form the doctor in question with Dr MacMillan at any time whatsoever?

Hon Miss Martel: I was involved in a meeting along with the Treasurer of the province and other representatives of the Sudbury medical association and the regional chair some weeks ago in Sudbury. At that point in time there was a discussion about cases of individual physicians. In the case of one physician in particular, I said I would make every effort possible to arrange a meeting between the Ministry of Health and that particular physician in order that he would be able to work with the Ministry of Health to have a positive resolution to his own situation.

Mr Eves: Did Dr MacMillan or any official from the Ministry of Health in any way, shape or form indicate to the minister that the doctor in question was under investigation or review by the ministry, the College of Physicians and Surgeons of Ontario or any other body?

Hon Miss Martel: My apologies to the member. The meeting I was at with the Treasurer was a meeting with a number of other doctors, and there were representatives there from the Ministry of Health. I was not given any information that was of a confidential nature at all by Dr MacMillan.

ASSISTANCE TO FARMERS

Mr Hansen: My question is to the Minister of Agriculture and Food. In October of this year this government made a commitment of \$6 million to the horticultural industry in Ontario as part of its \$35.5-million emergency assistance package. Can the minister tell the House how this assistance will be available to growers?

Hon Mr Buchanan: When we announced the emergency assistance back in October, in delivering the horticultural assistance our preferred option was to use the net income stabilization account database. We felt that would be the most efficient way of doing it in terms of cost-effectiveness, that it would reduce the administrative cost by using the NISA program. We are very pleased the growers have accepted that and we are working towards having that money available, it looks like at this point, early in the new year.

Mr Hansen: The minister has indicated that the federal government will be providing \$26.3 million to Ontario horticultural producers as part of its \$100-million national horticultural system program. Can the Minister of Agriculture and Food update the House on this assistance?

Hon Mr Buchanan: My officials are currently in Ottawa, as a matter of fact, working with the federal officials to make sure that this money, the \$26 million, will get out as quickly as possible, again using NISA. It is our hope that the money, federally and provincially, can be delivered very early in the new year.

MINISTER'S COMMENTS

Mr Phillips: My question is to the Premier, who I think will appreciate that there are certain events that will shape and define his government. I think the one we are debating here is one of those. I am very interested in the Premier's standards. I do not think there is any question now that last Thursday night the Minister of Northern Development said in a public meeting something that could only be described as chilling. She said that some individual would be charged, that criminal charges would be laid. The minister then, as I understand it, did not rethink her position and that evening go back to those individuals and say: "I'm sorry it happened. I don't know why I did it." That was Thursday night.

Nothing happened in the way of apology on Friday, as I understand it, even though this was a fabrication, even though none of it was true, apparently. On the Saturday, as I understand it, the executive assistant or a staff member of the minister phoned some of the people involved and tried to quieten it down. It was only, as I understand it now, the Sunday when the apology began to kick in.

I am anxious to get from the Premier his standards. Are the people of Ontario to believe and accept that now these are his standards? If a minister makes a major mistake—I think all of us would agree that nothing could be more significant than this—and apologizes three days later, is that now acceptable behaviour for the Premier's ministers? Is that now a standard the Premier will find acceptable in his cabinet ministers?

1520

Hon Mr Rae: I think the minister has responded very directly to the questions that have been put to her. The minister has clearly indicated she has apologized for what has taken place. As well, I would say that there are a lot of other allegations that have been made in this House that are completely without foundation.

Mr Phillips: We are talking about the Premier. This is his decision. The spotlight is on the Premier, not on the minister. The minister has made her explanation. It is now the Premier who is making the determination. I went through the events as the minister outlined them for us. On the basis of those events the Premier has made the decision.

There are only two explanations: As long as a minister will admit he or she made an honest mistake and apologizes, that is acceptable behaviour; or this is a unique circumstance and if it ever happens again the minister is gone. The Premier is prepared in this case to allow the minister to stay, for whatever reason. The people of Ontario would like to know which of those two it is. Is the Premier's new standard acceptable behaviour as the minister went through, or is he merely making an exception in this particular case and he will say to the people of Ontario

it was wrong and if it ever happens again the minister is gone?

Hon Mr Rae: I would say to the honourable member that what took place was not acceptable. The minister has apologized for it. A mistake was made. Do I think it was sort of deliberate? The member for Renfrew North talked about how it was all premeditated and all the rest of it. No, I do not. I think it was an outburst that came in the course of a heated exchange about a situation everyone recognizes is a matter of significant public interest across northern Ontario, for which the minister has very clearly apologized in this House. That and the amount of time that has been spent on it strikes me as an indication of the views of honourable members opposite. I am giving the member the benefit of my views on it.

Mr Eves: I have a question for the Minister of Northern Development. In my last question I asked the Minister of Northern Development if she had such a meeting and she said she had a meeting with Dr MacMillan and others. Could the minister please tell me exactly who was in attendance at that meeting?

Hon Miss Martel: There were a number of people at the meeting because we were trying to deal with a case of cardiologists in particular in Sudbury, and it was a very good meeting. There were some 17 people there representing the local members, including the local federal member, John Rodriguez, representatives from the regional municipality of Sudbury, two representatives of the Sudbury and District Medical Society, representatives from Sudbury Memorial Hospital, cardiologists, and a member of the district health council. Dr MacMillan, Dr LeBlanc and one other representative from the Ministry of Health were also in attendance at that meeting.

The purpose of the meeting, which was a meeting I requested, was to allow the cardiologists to present their case to the Ministry of Health, a case which was very much to try to figure out if there was a way they could be exempt in order that they might continue to practise. They provide a very necessary service in Sudbury. I have been working with them for several weeks now to try to have their case heard so that they can continue to deliver that high quality of care in Sudbury and northeastern Ontario.

Mr Eves: My supplementary to the minister is basically the same supplementary I asked her for the last question, which she did not answer. Did Dr MacMillan or any other government official whatsoever, in any way, at that meeting, before that meeting, subsequent to that meeting, or at any time indicate to the minister that the doctor in question was under investigation or under review by the ministry, by the College of Physicians and Surgeons of Ontario or by any other body?

Hon Miss Martel: No.

AUTOMOBILE INSURANCE

Mr Abel: My question is for the Minister of Financial Institutions. In the present auto insurance system, access to the courts is severely restricted. It is my understanding that the threshold injured drivers have to cross requires that their injuries be serious, permanent and physical in nature

before they are allowed to sue. The bill introduced by the minister last week set a new threshold that is different than the present one. It uses a deductible of \$15,000 rather than the current wording. How does this proposed threshold compare to the current one?

Hon Mr Charlton: The new threshold we have proposed in the legislation I introduced last week is a threshold which in rough terms would allow about three times the number of people to pass that threshold and gain the right to sue for pain and suffering. However, they will only be allowed to sue for pain and suffering. The approximate number of people under the current system is about 5,000 and under the proposed change about 15,000.

Mr Abel: Will this new threshold allow these people to sue and receive compensation for pain and suffering they may endure?

Hon Mr Charlton: Basically the threshold will allow people to sue for pain and suffering up to the maximums that have been set by the court.

Interjections.

The Speaker: Order. The member for Willowdale will please come to order.

Hon Mr Charlton: The maximums that have been set by the court range up to about \$250,000, so any pain and suffering claimed—

Interjections.

The Speaker: Order. I am asking the member for Willowdale to come to order so that, among other things, the Speaker can hear the response from the minister. Will the minister complete his response, please.

Hon Mr Charlton: Very briefly, the new threshold will allow them to sue for amounts that would reflect, in the courts' judgements, on the seriousness of their injuries.

Interjections.

The Speaker: I ask the House to come to order, and in particular the member for Willowdale is being asked to come to order very quickly.

Interjections.

The Speaker: I must remind the member for Willowdale that if he is the cause of disorder, the Speaker will have no choice but to name the member. I have repeatedly asked the member for Willowdale to come to order. When the House has come to order we can continue with the routine proceedings which at this point is the presentation of petitions.

PETITIONS

YOUNG OFFENDERS

Mrs Marland: I have a petition which reads as follows:

"We, the undersigned, object to the terms of the Young Offenders Act. It is time young offenders paid for the crimes they commit, instead of the victims. The victims pay the rest of their lives while the young offenders get what appears to be a slap on the wrist. This is not good enough. We want the legislation changed. This cannot go on."

This petition is signed by 1,236 petitioners.

ST JEAN de BREBEUF SEPARATE SCHOOL

Mr Curling: I have the opportunity, Mr Speaker, to present to you a petition on behalf of the constituency of Scarborough North. The petition respectfully reads:

"Whereas St Jean de Brebeuf Catholic School has reached the point of extreme and serious overcrowding: Currently 483 students are enrolled in a school designed and built for 272 students."

I have affixed my signature to this petition according to the standing orders.

1530

CONSIDERATION OF BILLS 83 AND 84

Hon Mr Cooke: Before I call orders of the day, I would like to ask that the order for Bills 83 and 84 for committee of the whole be rescinded and that the bills be ordered for third reading by unanimous consent.

The Speaker: Do we have unanimous consent?

Interjections.

The Speaker: Order.

I am asking the House to come to order. Earlier today it was necessary to have a recess. In order to continue the public business, it will be necessary for this House to maintain order and decorum in this chamber. I respectfully request the co-operation of all members. I would ask at this time that the honourable government House leader kindly repeat the business that I was unable to hear.

Hon Mr Cooke: By unanimous consent, I would like to ask that the order for committee of the whole House on Bills 83 and 84—

Mr Eves: No, not until we are done second reading of the bill. That is what we agreed. There was not unanimous consent. After second reading of the bills is when you do committee of the whole, not before.

ORDERS OF THE DAY

GASOLINE TAX AMENDMENT ACT, 1991

LOI DE 1991 MODIFIANT
LA LOI DE LA TAXE SUR L'ESSENCE

Resuming the adjourned debate on the motion for second reading of Bill 86, An Act to amend the Gasoline Tax Act / Projet de loi 86, Loi portant modification de la Loi de la taxe sur l'essence.

Mr Mancini: I would like to continue my remarks, which were concluded last night around midnight as the Legislature adjourned. Mr Speaker, you will recall—because I remember your paying close attention—that we were speaking about Bill 86 and the government's intention to pass legislation authorizing the 1.7-cent-per-litre gas tax hike which took place last April due to the Treasurer's budget, and a further 1.7 cents that is going to be added to the cost of every litre of gasoline on January 1, 1992, pursuant to the Treasurer's statements and pursuant to the budget that was tabled in the Legislature by the Treasurer some months ago.

Members will recall the debate last night. They will recall that a number of honourable members in fact stated very clearly that we could not support this new tax in-

crease that the government saw fit to move forward. There are a number of reasons for this. We are not opposing the government's legislation just for the sake of opposing the government's legislation. It is far more thoughtful than that.

The implications of what they are doing are very, very serious. I know this happens to me on regular occasions. I am sure it happens to all members of the assembly. When we are back in the riding discussing matters of government taxation and government expenditure in our ridings, we try to advance to our constituents the belief that what the government is doing is basically for the general benefit of the entire province. In this particular case I find that my constituents feel, and I agree with them, it is unfair of this government to continually tax them and spend their money in what many of us consider wasteful ways.

The majority of the constituents in my riding and I believe the majority of the people of this province believe that this government lacks basic managerial skills. They lack the basic skills to administer a corporation as large as the corporation of Ontario. I do not believe it has sunk in for many of the honourable members opposite who sit on the government benches that they are in fact administering a huge province, that there is money coming in and money going out, that they have to look at the books and that they have to be concerned about whom the money is coming from and why the money is going out. I would not be averse to helping the government seek revenues if I thought they were the managers they should be, but they are not.

Mr Hope: It was hard to hold that one in.

Mr Mancini: The honourable members opposite, particularly my friend the member for Chatham-Kent, believe it is okay to tax and spend, tax and spend. If it is spent for worthwhile reasons, fine; if the government mismanages items, fine. Just tax and spend; keep the money coming in; let's sustain socialist policy at all costs.

I mentioned this last night and earlier on today: It is my belief, and the belief of a growing number of Ontario citizens, that we have in place today an antibusiness government.

Mr Hope: Come on. You are fearmongering, Remo.

Mr Mancini: The business community truly believes that. A growing number of people every day, getting up in the morning and going to their jobs, read about plant closure after plant closure, I might remind the member for Chatham-Kent, since he is so interested in my comments. I am sure in your riding, Mr Speaker, as was the case in my riding, New Democrats certainly left the impression that once they were elected, held office and had the reins of power, there would not be plant closures.

They certainly left that impression in my riding. We had New Democrats saying there would not be plant closures. One union boss after another was spouting the line at meeting after meeting. The NDP candidate was spouting the line at meeting after meeting: plant closures would not take place. We would have justification committees, we would have all of these things, leaving the impression that under the NDP there would not be plant closures.

Hon Mr Allen: We never said that.

Mr Mancini: I hear the Minister for Colleges and Universities say, "We had no such plans," or something to the effect of "We said no such thing." What happened to the justification committees? What happened to all those committees they promised? Public justification was the policy of the NDP government. That was a policy only a few months ago and we are not going to allow them to forget that because they won votes by telling people those things. They won their confidence, won their support, won the responsibility to sit across the floor from the opposition on the right-hand side of the Speaker. That was the outcome of the things they said only 18 months ago or less.

My point today is that we are not against just the tax increase but the lack of managerial skills we witness every day, the lack of planning, all the broken promises. This money is going to pour into the coffers for who knows what reasons.

Today my colleague the member for Scarborough-Agincourt outlined in the House for all members to hear about the activities of this CCC committee that has been organized by the government, funded by taxpayers' dollars, presumably by some of the money that came in from the 1.7-cent-a-litre tax on gasoline implemented just a few months ago—presumably the \$1 million, \$2 million, \$3 million, \$5 million or \$10 million this committee is going to spend to buy computers to hire what is termed as agitators, or whatever they are called—animators, agitators. What are they called? What are their functions? I think I know what their functions are. I think agitating is part of the responsibility of these animators. It has been explained to me by my colleague the member for Scarborough-Agincourt just what he thinks some of these animators/agitators are going to do.

1540

We are in desperate straits. Why? Because the business community has lost confidence in the policies of the government, because thousands of workers are losing their jobs. Citizens who live next door to the members and myself are not feeling confident about the future. I know they express those concerns to members, as they do to me. Our budget deficit is right out of control.

I say to members in all sincerity, it was not necessary to have a \$9.7-billion budget deficit. I think when the NDP government assumed office it made a number of decisions which doubled the deficit. We know we are in tough recessionary times. We know, by the experiences of past governments, that when that happens the deficit rises.

In the early 1980s I was a member of the House. Under the Conservatives I saw the deficits rise because of bad economic times. It was brought back under control in better times. We know that under the Liberals we had deficits and we know we also balanced a budget. We know that when the recession hit Ontario it affected the income of the province and therefore the budget that was inherited by the NDP. We are not denying any of these things. We know that.

Our sister province of Quebec, which does not have the economic base and foundation of Ontario, was able to keep its deficit under \$5 billion. Only in Ontario was the government unable to keep the deficit in balance with real-

ity and with the times. The deficit and the budget were reckless. The deficit delivered shock therapy to the business community. The deficit delivered shock therapy to investors around the world. The deficit delivered a blow to people's aspirations and their confidence in the future.

Maybe they could justify this once-in-lifetime, out-of-control deficit for a number of reasons. I would not want to help them, but maybe they could. But that is not all. What is even more disturbing is their four-year economic plan. In four years they want to create as much debt—and the NDP will create as much debt—for our neighbours, for our friends, for our constituents, for our children, for all the citizens, as did all the previous governments in the history of our province.

How can we sit idly by, how can we sit back and support the intentions of this type of economic planning? In order to do this they need more taxes. They want more on gasoline, in April and on January 1. "Happy new year. You've got to pay another 1.7 cents a litre for every litre you buy."

It is little wonder that people go to Buffalo and Detroit and wherever else—Sault Ste Marie, Michigan—to buy their gasoline. We are driving them there. The government is pushing them there with its Sunday closing legislation, with its taxes on gasoline, with its proposed labour laws and everything else this government is promoting at this time. We are inviting people to shop somewhere else.

We have had hearings on Sunday shopping and we have had hearings on cross-border shopping, and we have been told by community group after community group that there are three principle causes that drive people to cross-border shopping: the cost of alcohol, the cost of cigarettes and the cost of gasoline. The vast majority—if not the vast majority, if the NDP disputes that, then at least a very good portion of the tens of thousands or hundreds of thousands—of trips made across the border are in fact made for those reasons. If they do not want to agree that it is the vast majority, then let's say a good portion and surely they cannot dispute that.

Our retailers are suffering. Today I was reading that in the past two weeks, let's say, we have heard that Town and Country is going to close all its stores. Kristy Allan is going to close all its stores. Dalmys is on the brink. These retailers, which are in Ontario, need to sell their products to Ontarians so that they can collect tax revenues for the government and employ people. That is what business is all about. You bring in revenue. You pay taxes and you employ people and you make the economy work so that people can plan their education, plan their future and plan their place in this province.

At this point in time there will be no dispute in this House—I am sure there is no dispute that a good portion of the cross-border shopping is in fact done for the three products I mentioned earlier: gasoline, alcohol and cigarettes—that our retailers are barely clinging to the face of the mountain. They have their fingernails dug in and are hanging there. Any bit of wind, any breeze and they are going to lose their grip and fall into the pit of bankruptcy and join many others who have already fallen over the last 15 to 18 months.

I say to my colleagues in the House that I have been a member for nearly 17 years. There has never been a worse time to raise the tax on gasoline. The tens of thousands of cross-border trips that are made between Windsor and Detroit will not be diminished by the government's action. No retailer in Windsor or Essex county will be helped by the government's action.

As a matter of fact, I submit to my colleagues in this House that because of this new tax more trips will be made by the people who are already making them, and maybe a few new people will be added to the list. There is a large number of Ontario citizens in Windsor and elsewhere who refuse on principle to cross-border shop, who refuse on principle to spend their hard-earned money in American stores for the basic necessities of life.

We are not talking about someone going on vacation or anything like that. We are talking about consistent cross-border shopping, when you make a determination every day, every week, that you are going to leaving the province and go someplace else to fill up your tank, to buy milk and bread, to buy a case of beer, to buy a carton of cigarettes. We are talking about those people.

1550

We are continually wearing the people down, the ones who are resisting. We are doing our best: "Work, shop, spend, save in Ontario. Create jobs for your friends and neighbours." They say, "What do we get in return?"

What do they get in return? Do they get austerity from the government when we are in a recession? Do they get a government that watches its expenses? No. It hires animators/agitators to go out into the communities to collect lists so that the NDP government can send them letters and tell them what a great job it is doing. That is what we get for our money. Do we get a government that says: "Cross-border shopping is a serious matter. Maybe we should have zones in the province that have a sliding rate of taxes on gasoline along the border areas as they have done for many years in Quebec." No, we do not get that. What do we get? We get a government that brings forward the biggest spend-and-tax budget we have ever seen.

I say to the government members opposite, when they return to their communities and hear of another plant closure or hear of another retailer that can no longer keep the doors open or hear from constituents who have just received their notices that they have been laid off, that their future is bleak, I wonder what the government members tell them. I wonder if they take any responsibility for their actions. I wonder what they have to say.

Tourism at one time was a booming industry in this province. At one time Americans and others loved to come to Ontario. They loved to come to this province, a clean environment, well-built roads, all done before the NDP ever assumed office.

Mr Cousens: It started under you guys.

Mr Mancini: No. I said earlier that the Conservative government that had been in office a long time had actually carried out some policies that built roads and did a number of things which attracted people to this province, and we will not deny what was done before us.

I say to the New Democrats that all this infrastructure was built and paid for before they assumed office. It was all done. They did not have to do it. It was done, and all the tough decisions were made by previous governments, whether they were right or wrong at the time. History will tell us what mistakes previous governments have made.

But at one time tourism was a booming business in this province. I speak to retailers. I speak to people who have friends outside Ontario. I hear a constant theme from them, "The gas taxes and the cost of gasoline in your province are outrageous." I hear from them one constant theme, "We'd love to come to Ontario more often", or, "We would just plain love to come, but the cost is beyond what we can handle at this point."

Mr Speaker, I am sure you have heard the same thing. I am sure all members who sit in this House have heard the same thing. I said earlier in this debate that we are not opposing this piece of legislation just for the sake of opposing. We are opposing it because we have deep beliefs on why this tax is the wrong tax at the wrong time.

I want to take a moment or two to reflect on the situation as a person from northern Ontario might view it. Although I am not from that part of the province, I think I have been in the Legislature long enough and have heard enough northern members speak and have made enough personal and public trips to the north to have had the opportunity to reflect in some small way on what they might be thinking at this time.

I can remember, on a number of occasions when I was travelling through the north, as a member of the opposition in the late 1970s and early 1980s and as a member of the government in the late 1980s, that the equalization of gas pricing was a major issue in northern Ontario. I can remember that when I was first elected and sat in the third party and the NDP members were here as the official opposition during the middle 1970s, they stated very clearly that they believed in the equalization of gas prices for Ontario, meaning that people in the north would not have to pay more for gas just because they happened to live in the north. They said that back then. They said it through the years and I am sure they said it in the last election because that was part of the platform. They said it in the last election from one northern riding to another.

Now that the NDP government has been in office for more than 15 months, what do we see it doing? Do we have before us a piece of legislation that requires the industry to equalize prices in the north and make them comparable to the prices in the south. Do we see that before us? Not at all. We see the same piece of legislation which says: "Yes, that is right, the people in the north will pay the 1.7 cents. They have already paid it in April and over these last few months and they are going to pay another 1.7 cents. Happy New Year on January 1, 1992."

They have to drive longer distances.

Mr Owens: You said that last night.

Mr Mancini: Yes, I said some of these things last night and they bear repeating today. They bear repeating today because I say to my colleagues and my friends across the floor that they and their party repeated that

promise many times throughout many evenings and nights here in the Legislature and in one small community, town or city across the north over the years.

1600

We know now that it was never—maybe never—the intention of the NDP government to bring in legislation to equalize gasoline prices for northern Ontarians. The fact that they have to drive greater distances for shopping, for work, for health care and for a number of other things is really not taken into account.

“The extra mileage? Well, that’s the way it is. You’ll just have to put more gasoline in your tank. You’ll just have to drive a little farther. You’ll just have to take a little more time and you’ll just have to spend a little more. That’s the way it is. You’ll just have to cough up and the money will come to the Ontario Treasury and we’ll spend it as we see fit. If we want to hire 25 or 30 animators/agitators so that they can do political work for the government, if we want to spend millions of dollars on computers for these people so that they can do political work for the government, if we want to hire consultants to organize and coach these people along so they can do political work for the government, that’s fine. That’s what we’ll use your tax dollars for. That’s our prerogative. We’re in government now. We’re going to make the decisions. We’re going to call the shots. We’re going to do as we think we should do. We’re going to do that.”

I want to take another moment or two before I close and talk a little about southwestern Ontario. I did earlier on in my address to the assembly today, but there are a couple more points I would like to have on the record and I believe deserve to be placed on the record.

A number of months ago members of the Liberal caucus did a tour of the province. We visited a long list of communities and we met with any number of citizens from the communities we visited. In many of the communities we also spoke to the leadership. Sarnia is being devastated by cross-border shopping. I am sure the member for Sarnia is aware of that. I am sure the member for Sarnia knows what these new gas taxes are going to mean for Sarnia. They mean more bad news, fewer dollars spent in Ontario, fewer dollars for retailers and others, more businesses out of business, more jobs lost, more broken dreams, more bleak futures. That is what they are going to mean in Sarnia.

Mayor Mike Bradley, when he spoke to our committee, expressed his concern about the impact of the new gas tax, what it will do for cross-border shopping and what it will do for the Americans, I might add. He recalled that the border city mayors met with the Premier before the budget and they begged—that was his word—for relief on the gas tax. That is what the mayor of Sarnia did. He met—

Mr Hope: He is a Liberal too.

Mr Mancini: It does not matter whether he is a Liberal. He is the mayor of Sarnia. Does the member not respect the mayor of Sarnia because of his political affiliation? Is he not allowed to represent all the citizens in Sarnia because of his political affiliation now? Is that what we have come to? Is he not allowed to meet with the

Premier and say: “Our city is being devastated by cross-border shopping. We beg the government for relief on gasoline taxes”?

The answer to Mayor Bradley and the citizens of Sarnia and Lambton is very clear. The answer is in Bill 86. The answer is: “No, we will not give you relief on gas taxes. Don’t even contemplate it. Don’t even think about it. Don’t even mention it. But we have something else for you. We have new taxes for you. If you thought things were bad before you met us, they may be worse now and they may get worse.”

Windsor’s former mayor, who just retired from office, also met with the budget task force that had been formed by my colleagues in the Liberal caucus. Where are the members for Windsor? I know they are all listening. This is what Windsor’s mayor had to say, and this goes in spades for all the municipalities in Essex county. Windsor’s Mayor, John Millson, called the NDP’s 30% increase in gasoline taxes a slap in the face. That is what the mayor of Windsor had to say after the Treasurer introduced his budget after the border city mayors had met with officials of the government and begged for tax relief. He said these taxes are a slap in the face.

The mayor of Sarnia, the mayor of Windsor and all the border city mayors have been very clear, well spoken and, in my view, extremely polite in bringing their case to this government. They asked to be heard. They wanted to be heard. They came to speak for the citizens of their communities, just like we, as members of the assembly, come to speak for our citizens here. They all said the same thing. “Please do not raise gas taxes.” As a matter of fact, they said, “We need relief from the current taxes so that we can maintain a retail sector which has been hard hit and which continues to be hard hit.” We know the extent of the damage. We have read about it in the last week or two.

We know what we thought of at one time as unthinkable is now thinkable and is in fact happening. Significant chain stores the NDP members used to refer to as wealthy corporations and used to say did not pay their fair share of taxes, and whatever other allegations were made against these businesses, are closing. They are closing because they cannot pay their bills. They are closing because they cannot keep their doors open. The hard reality, the hard facts, the truth is that when that happens thousands of innocent people lose the opportunity for a future. They lose the opportunity to participate and work in their community.

This debate, I say with all respect to the government members, is a little more significant than 1.7 cents new tax on every litre of gasoline in April and 1.7 cents on happy new year January 1. That is how the citizens of this province are going to be greeted on the first day of 1992: “Happy new year. Here’s another 1.7 cents. By the way, if you don’t want to pay this you can always cross-border shop. You can always go fill your gas tank someplace else.”

We need to hear from the government in a very clear and conclusive way how it is going to react and what it plans to do to combat this recession we are in. I remember so clearly how much delight and pleasure the then Leader of the Opposition took when he said he was the only person

who had the courage at that time—maybe he was—to use the R-word. He was the only political leader in Ontario who was courageous enough to say, “We’re in a recession and we’ve got to do something about it.”

Mrs Y. O'Neill: On a point of order, Mr Speaker: I wonder if we could have a quorum here.

The Acting Speaker (Mr Villeneuve) ordered the bells rung.

1611

Mr Mancini: I was just saying it was the former Leader of the Opposition who said he was the only political leader at the time who had the courage to say we were in a recession. Maybe he was at that time. He definitely was the first person, as far as I can recall, who publicly stated in the Legislature and outside that we were in a recession. He knew of it prior to the election, during the election and certainly he knows of it now.

Given all that, given what we were told was the policy of the NDP and the fact that they were the only ones—I underline—they said they were the only ones who were prepared to combat the recession and they were not going to combat this recession on the backs of working people—they were the only ones willing to do that—given all that, given everything they have said and how deep and dirty this recession has become, I say to the honourable members opposite, how can they rise in their places to support this new tax which is a tax on all the people in the province whether their income is \$5,000, \$10,000, \$25,000, \$50,000 or \$80,000 a year? The person on social assistance will pay as much as the president of the Royal Bank of Canada, and the members opposite know it.

I am waiting to hear from the government. I am waiting to hear their clear conclusive program or plan to fight this recession. I am waiting to hear their clear conclusive plan to fight cross-border shopping. I am waiting to hear their clear conclusive plan to put people back to work. I am waiting to hear their clear conclusive plan to restore faith in the ordinary Ontario citizen and in the business community. We will continue to wait for the government. We will continue to sit here and wait and demand that they act, but we certainly do not have to support this.

Mr Miclash: On a point of order, Mr Speaker: The government has insisted that we go until midnight tonight. I have rearranged my schedule so I can stay here. They know I am six hours away from my riding by air. I know they are responsible for a quorum in this House. I would like a quorum call, please.

The Acting Speaker (Mr Villeneuve) ordered the bells rung.

1614

Mr Mancini: I will conclude by saying that I will not support Bill 86. I will not support this new tax on gasoline. I conclude by saying that this is not the right medicine for Ontario. We need economic policy and economic strategies which will do the things I have enunciated over the last 45 minutes.

I want to be absolutely clear. I want to make sure the new members of the government realize this. This respon-

sibility lies on their shoulders. They have the reins of power. They manoeuvre the levers of power. They decide what is going to happen. They decide if this will be a good province to invest in or not. This responsibility lies on the shoulders of each and every member of the government.

Mr Cousens: It is interesting to listen to one of the honourable Liberal members discuss a tax bill, because I never heard any Liberal members speaking out when Mr Peterson and his government increased taxes. They were as silent as the New Democrats are right now. I would like to ask the honourable member, when he has a chance to respond, what he had to say about the 33 tax increases that came down when he was on the government side with the then Honourable David Peterson—33 tax increases from 1985 to 1990—the largest number of tax increases, the largest volume of increases in money coming into the province.

The Liberals had one of the richest times in our province of prosperity. There it was, coming in. I do not think they ever understood the Old Testament story where the people of Israel were warned that, “You’ve got good times for seven year so store it up, Joseph.” It recommended to the pharaohs of Egypt that they put some aside for the days of famine. We are now in the days of famine. There just is not very much to go around. It is made worse by this government. I cannot let those guys off the hook.

The Liberals have a very poor memory. I just want to remind the people of Ontario of the 33 tax increases and the fact that the money that was taken in by the Liberals really was just thrown to the wind, because there is nothing there in the coffers now.

When we went into the election of September 6, 1990, the then Treasurer said: “There is some \$20 million surplus. We are really doing well.” It turned out they were several hundred million dollars in debt. I would be very grateful if the member for Essex South would make some comment on those 33 tax bills.

Mr Hope: It is amazing that the member who used to be the Minister of Revenue is up there making comments of that nature when the Liberal government was most famous for its offloading to our municipalities which has created the tax burden on our small business community. He made reference to job loss and what this government is going to do. I remember in 1987 when David Peterson and his colleagues were talking about having a plan. They never did pull the plan out, and we still do not know what it is today.

It is very important because he alluded to the 1-800 number. I think it is important for the member for Essex South to call that number to find out how we are combating it. The Minister of Skills Development has released a discussion paper. We have to have the skilled value added jobs in order to combat this free trade agreement that has devastated our community. We will not thank the Tory government for any of its assistance in helping to keep jobs here. I know that through our government we have put initiatives in place. Our previous governments should have taken the initiative in doing something about it.

A reference is made to cross-border shopping because of the gasoline. Cross-border shopping has been because of the Liberal Party offloading on families' property taxes, which has made it very difficult for a lot of families to support themselves because the offload of school taxes, the offload of municipal taxes and everything else that has been offloaded to them. This government has taken a responsibility in the last budget to assist the municipalities to relieve the burden on the property tax and to make sure there is assistance there.

It is amazing that the member reflects on some of what we are doing for jobs. I would like to know what labour initiatives were there to make sure that the workers were protected through the plant closures. There was nothing whatsoever. It took this government and the Minister of Labour to introduce a wage protection fund, which was a small portion, but we wait for the federal government to do its responsibility to kill the free trade agreement.

1620

Mr Miclash: Last evening, the member who carried on today spoke about northern Ontario and spoke about this tax. I must remind the members opposite that they are now government. They have brought the tax in and they have to explain to us why they have made this additional taxation for the people of Ontario. They seem to want to keep going back to other days. I must remind them they are the ones who made all the promises during the campaign. I remember the Minister of Northern Development standing in her place telling the people of northern Ontario, "We will equalize gas prices across this province." That is a very specific promise she made to the people of northern Ontario.

Last evening the member did go on and talk a little about what this taxation is going to do in terms of the various industries that rely on our resources throughout the north. He spoke about what this taxation is going to do in terms of tourism, the tour operator, the people who are travelling across the north or at least who used to travel across the north.

I can say to the members across the way that when they come across that border from the states to the south of us, they are going to take one look at this taxation, this gas price that we have, and turn around and go back home. We are going to be affected by this not in terms of, "Are those people travelling?" but in terms of the tour operators who are trying to sustain their operation in the north. When they are faced with this 30% increase in taxation on their gasoline, what kind of effect is that going to have?

During my comments yesterday, I pleaded with the six cabinet ministers we have from northern Ontario, who got all that great press when they were elected and put into cabinet. I pleaded with them to now get some of our issues on the table, but obviously it is not happening. I do not think there was concern about any of this when the member spoke about northern Ontario last evening.

Mr Johnson: It is interesting that the member for Essex South talks about the reasons people would cross-border shop. It is interesting in particular because I do not believe he is correct. I would say he is wrong and that the

reason people cross-border shop is not because of gasoline, alcohol or cigarettes, or should I say because there is a perception that gasoline, alcohol and cigarettes are cheaper? In fact, they may be, but the real reason why people cross the border and shop varies directly with one factor: the value of the Canadian dollar versus the American dollar.

Mr Hope: Who has control over that?

Mr Johnson: The member for Chatham-Kent asks, "Who has control over that?" I suggest that is a rhetorical question because in fact he knows as well as I do that Mr Crow and his colleagues and other strange birds in Ottawa, I might add, are the ones who are responsible for the value of the Canadian dollar. They are the ones who are responsible for the imbalance or the unbalanced trade we have with the United States right now.

I would like to add too that they also control the interest rates in Ottawa and they control the trade policies we have as a country, as well as a province, with the United States. Until these things change, until the federal government takes a more responsible look at cross-border shopping and deals with it very directly, we are not going to see any improvements in the cross-border shopping issue in Ontario.

The Acting Speaker (Mr Villeneuve): This completes questions and/or comments. The honourable member for Essex South is not present to respond. Further debate.

Mr Cousens: Before I begin to discuss Bill 86, I just want to say that normally in circumstances like this the person who was scheduled to speak, the member for Leeds-Grenville, would have been here to carry on the debate for our caucus. It is sad for me and for him that he is not able to participate. The member for Leeds-Grenville today, on a matter of honour and personal integrity, was unfortunately removed from the House and is therefore unable to bring forward his comments.

Mr Drainville: Perhaps there should be a minute of silence, Don.

Mr Cousens: I would say a minute of silence. I would say there is going to be a long time of silence from the New Democrats in this province because of what has happened in this House. A very black cloud is hanging over this House right now and it has to do with the whole situation of honesty and integrity of government which the member for Leeds-Grenville, other members of this House and certainly our leader, the member for Nipissing, have raised. He would have been speaking on Bill 86 and I just wish he was.

Notwithstanding that—

Mr White: On a point of order, Mr Speaker: I believe the debate is not upon the member for Leeds-Grenville and his conduct or the quality thereof, but upon a bill which is before this House.

The Acting Speaker (Mr Villeneuve): It is a valid point of order. I would remind the honourable member for Markham that Bill 86 is under debate and I would appreciate

if he could address his remarks to the chair and stay with the bill in question.

Mr Cousens: I will do as the honourable Speaker suggests and as the honourable member opposite would have me do. I do not think he is going to like what I am going to say any better.

Notwithstanding that, we are talking about Bill 86, An Act to amend the Gasoline Tax Act. As we talk about taxes, one of the great concerns is how the moneys are spent. I have a few fast facts I would like to put on the table. My presentation will certainly discuss these in greater detail, because it is how the government spends the money it is going to collect through this gas tax.

In 1985 the average weekly earnings of government employees and those in the manufacturing sector were roughly \$480 a week. Since then, the average weekly government wage has risen to \$735 compared to the average wage in the manufacturing sector of \$608.

What I am saying is that the government wages have increased in the last five years at a far greater rate than in the private sector, so the government employees, as hardworking and diligent as they might be in their jobs, are now paid an increased amount over and above what the private sector pays. The statistics show we are talking \$735 on an average rate per employee in the Ontario civil service versus \$608 in the private sector.

Is that fiscal responsibility? Is the government spending its money wisely and well? There were times, I remember, when it was difficult to find people to work in the civil service and it was essential then to attract certain high-tech people away from the private sector to get them into the government to run certain departments or businesses. The fact that we have this disparity between government salaries and the private sector salaries shows that government spending is wrong.

Another point I want to make is that this year the Rae government negotiated a 5.8% pay hike for most of its civil servants. Provincial government expenditures on salaries, wages and benefits increased by 16.1% this year over last year. Can anyone explain to me why that is a good thing during the tough economic times we are suffering in 1991? It is just beyond me.

There is absolutely no excuse in the world why the government of the province of Ontario would have had such excessive increases to the salary line for benefits and salaries of civil servants, in the order of 16.1% over last year. That is probably—it is not probably, it is one of the fundamental reasons why this government has to increase its taxes, because this government has not controlled its spending. One of the areas it could have controlled its spending is certainly in the salary lines.

In the last fiscal year, Ontario's civil service employed an additional 1,585 people. Well over 1,500 people have been added to the civil service of the province. That is nearly a 2% increase in staffing levels of the province. In fact, the staffing levels of the province since 1985-86 have grown by over 8%. When we start having increases of that order we are talking an increase of 8,000 to 10,000 employees in the employ of the government of Ontario. I do not know of any business or industry that has increased in

size at the speed at which the government employees have increased. By adding additional employees, the cost just continues for ever and ever. I do not know how the private sector could do the same kind of thing, and yet here the government has gone and added to the civil service in these large numbers.

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What we are also looking at is a day when the private sector has never suffered more. We are seeing that the unemployment level, by our Treasurer's own figures, will be at least 184,000 people by the end of 1991. We are seeing that the total number of jobs that have been lost in the last year and a half is in excess of 250,000 jobs. Talk about tough times.

I do not attribute the recession in Ontario solely and exclusively to the Premier. It would be wrong for anyone to think that he is the sole cause of the tough economy we have. That is a very naïve rule and some people who would say that really do not understand the economics that go on within the whole world economy today. What we are going through in Ontario, as painful as it is, as dreadful as it is in my community where I see one of the largest computer companies in the world, IBM, is having early retirement programs for employees and up to 2,000 employees are going to be affected by that—early retirement does not mean to say these people are on a rich pension, by any means. This is going to be a very difficult adjustment for them when they move from a full-time salary to a percentage of their pension; tough times for them. A number of friends I have worked with over the years in the computer industry are now looking for employment. They have had to take early retirement and there is really not enough to live on.

We are talking about very difficult economic times. Sault Ste Marie has not seen an improvement. We are looking at Kirkland Lake. Northern communities all across this province are feeling the pinch.

We are talking now as well about a government that to solve its economic problem is saying, "We're going to increase taxes." It is not the time to increase taxes. It is not the time to come along and have the tax bill that is before this House today. Christmas is not the time to be talking about tax bills.

When the government brought out this bill on April 29, it did not schedule debate then when it was fresh in the minds of people. In fact, the way it works, the media will respond to the budget that is presented by the Treasurer, and for one or two days there is a fair amount of hype and everybody says: "Oh, it is just dreadful what this budget is all about. There is a huge deficit being created by the province, almost \$10 billion, and these are the new taxes that are being brought in." There are one or two days in which the major newspapers will comment on it. Yet right after that, when it comes time for this House to deal with the budget and its implications, we are not allowed the opportunity to debate these important bills, because for one thing, we cannot debate them until the government House leader schedules them for debate here in this House.

Here now, only at this late stage before the House will rise for its Christmas break and before we come back in

the new year, very quickly—I suspect we will be back here by January 5 or 6 to continue debate on these bills. Certainly the spirit in this House is such that I have no desire to leave this place until there is at least the resignation of the Minister for Northern Development. But notwithstanding that, we are into a very short time frame in which we can deal with these bills.

The increase we are talking about has to do with the unleaded gasoline tax, and just to put it on the record, we are talking about an increase of 1.7 cents a litre taking it from 11.3 cents tax in Ontario to 13 cents effective April 30, 1991. Then there would be an additional 1.7 cents a litre, bringing it up to 14.7 cents, effective January 1, 1992. If people who are watching this right now on TV want to load up their gas tanks on December 31, they should do so, because the next day a new level will go on their pumps and that extra increase will go into the coffers of the province of Ontario.

As we look at this tax increase, let's just understand that there seems to be a lot of fluctuating that goes on in the price of gasoline. I cannot believe how gas prices seem to go up every weekend in Markham and in northeast Metropolitan Toronto. It would seem that is when most of us fill up our tanks. The gas prices go up by five or seven cents a litre and then they come down during the week when people are not filling up as much. I think that is something some of us could look at. Maybe the standing committee on public accounts, of which I am a member, could do something about it, or one of the other committees of the Legislature could begin to do something. I am going to start to mark the prices of gas in our area, so that we can—

Mr Curling: On a point of order, Mr Speaker: I am extremely concerned that when members of this House have forgone many things to be here in the House, there is no quorum. Members of the north who have stayed here and have constituency work tomorrow have forgone that, and there is no quorum here.

The Acting Speaker (Mr Villeneuve): Could the Clerk check to see if we do have a quorum present?

Clerk Assistant and Clerk of Journals: A quorum is present.

The Acting Speaker (Mr Villeneuve): Would the honourable member for Markham please continue his participation in the debate.

Interjections.

The Acting Speaker (Mr Villeneuve): Order. The honourable member for Markham has the floor.

Mr Cousens: The gas tax, then, will go on leaded gasoline and will push the rate to 16 cents and then to 17 cents in January 1992. We are seeing increases in the gas tax that will have quite an effect on what people are paying for their gasoline. What does it really do to Ontario versus its neighbouring jurisdictions? I am grateful to my friend the member for Carleton who has done a tax rate comparison between Ontario, New York, Michigan and Minnesota, to indicate what the differences are between the price of Ontario gasoline and that in other jurisdictions.

When you take Ontario gasoline with the federal excise tax of 8.5 cents a litre, then the GST and then the provin-

cial sales tax on top of it, as of now we are paying 21.5 cents a litre in sales tax, and effective January 1, 1992, this will go up by 1.7 cents, bringing the total tax per litre to 23.2 cents for gasoline in Ontario.

How does that compare to other jurisdictions? In New York, you are talking about a tax per litre of 7 cents. I will give members the numbers so that they are there on the record: 7 cents a litre for New York state; in Michigan they pay a total of 9 cents a litre for gasoline, and in Minnesota they pay 10.5 cents a litre. We will be paying 23.2 cents a litre effective January 1, well over twice Minnesota and three times more than New York state.

This is just a huge difference in the cost of gasoline for automobiles. Is it any wonder people are in a hurry to head down to the United States? One of the first things they do when they go to the United States is fill up their tanks to take advantage of the cheaper price of petroleum south of the border.

There is no way we are going to claim back any of the taxes on what is in the tank of an automobile. In fact, I would not be surprised if some people have had the tanks in their vehicles enlarged so they can take greater advantage of the size of the tanks and bring back more petroleum in their cars because of the cheapness of the price. It is the kind of thing I think many people might well think of, and those who are closer to the border are certain to take advantage of it.

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One of the reasons Ontario is becoming uncompetitive is the large increase in cost just to live here, just to travel here, just to be here. I think it touches on everything that goes on in making this province attractive to people, attractive to stay in and attractive for tourists to come to. We have seen a tremendous decrease in the number of tourists coming to Ontario over the last several years and all of it has to do in part with just the high cost of travelling in Ontario and the high cost of staying in Ontario.

There are other taxes this province has that make it very unattractive for other people to come here, but fundamentally, as we look at the tax itself, we have well over three times the price in taxes for our gasoline versus New York state. That in itself is one of the reasons why our caucus is greatly concerned about what is happening with it.

I would like to put on the record as well that as of April 1991 we were paying 13 cents a litre in tax on unleaded gasoline. That means we were third in line; only higher than us were Newfoundland and Quebec. But effective January 1, 1992, Ontario's new rate of 14.7 cents per litre, just for provincial sales tax on it, will be the highest rate in Canada. I repeat: With the increase effective January 1, 1992, the rate of taxation on gasoline here in Ontario for unleaded gas will be the highest in Canada.

Let's just look at our leaded gasoline price. Our leaded gasoline price, when it was increased in April 1991, took our tax to 16 cents per litre and that was the highest of any jurisdiction in Canada, versus Newfoundland at 15.2 cents, New Brunswick at 14.9 cents, Quebec at 14 cents and right down to the cheapest being the Yukon at 4.2 cents. What a

disparity even in our own country in the amount of taxes that are being levied by different jurisdictions.

Ontario's new rate of tax for leaded gasoline is the highest in Canada. Effective January 1, 1992, Ontario's new rate will become, for leaded gasoline, 17.7 cents per litre. It will continue to be the highest rate in Canada, assuming no change in other provinces.

I want to talk about this tax and the implications it has on the total budget of Ontario, but that is only part of this bill. The other part of the bill has to do with the effect it is having on the trucking industry. I have a small update—it is called Update—from the Ontario truck transportation industry, in which they are trying to mobilize support for their interest in supporting Ontario truckers to fight against high fuel taxes. They are having a terrible concern on what it is they are having to pay for fuel tax. Anyone who is doing any transborder shipping will be filling up his tanks south of the border and taking advantage of the lower rates in the United States.

One of the things I like in the statements made by the Ontario truckers is that they feel the Ontario government has tried to justify the tax increases in the name of fuel conservation. They go on to say, "This is a laudable goal, but the fact is that these tax measures will do nothing to enhance fuel conservation. Even the government appears to admit that the 1991 budget document itself, with significant increase in gasoline and diesel fuel tax revenue as forecast, does nothing to it."

If we want to do something about the problem with emissions and with those cars that are causing environmental problems, there are other things we could do. By having high tax, the government is reducing the number of people who are going to have their cars tuned up and thereby reduce the amount of emissions that are coming from them. There is nothing environmental about this bill, nothing at all, and the member for Don Mills spoke very eloquently on that last evening.

I do not think I am going to have much impact on the New Democrats in this Legislature. Probably the most discouraging thing we have to go through as members of the opposition is that we can stand in our places and make our point as best we can, but when it comes time to vote on issues, the government whip has such control over all its members that in spite of the fact that all those members, when they were in opposition or in third-party status, opposed every tax bill and every increase to fuel taxes by previous governments, now they are in government there is not one person who has indicated that he will step aside from the government whip and stand up and vote against the gas tax.

It is not that they are not able to think for themselves; it is just that if they did, they would suffer the discipline of the government, which would mean they would lose the extra money they receive as their parliamentary assistantship or their Chairmanship or their Vice-Chairmanship. There is hardly a member on the government side who is not making extra money as a member of the Ontario Legislature because of a special appointment that the Premier or one of his delegates has given to each one of them. Every member of the government side is either a parlia-

mentary assistant or a Chairman of a committee or has some appointment that allows him or her to make extra revenue. Anyone who comes along and disagrees with this—

Mrs Mathysen: They work 20 hours a day, 7 days a week.

Mr Cousens: The honourable member for Middlesex says they work an extra 20 hours a week. Maybe so—

Mrs Mathysen: Twenty hours a day.

Mr Cousens: She is working twenty hours a day? I am not taking that away from her, but I would say it is pretty nice that every one of the New Democrats is making more than most members in the opposition because the government has the opportunity to give the members extra bonuses in order to behave themselves and in order to obey the government whip. When the government gives them these bonuses, they would then be in a position to lose the extra money the moment they came along and did not support the government viewpoint.

I can understand how economics have pulled the New Democrats, these socialists, into a new mould in which they are now part of the government, and then they lose the freedom to make their own minds up. It is also the sense inside their own brain that says, "I don't want to lose the extra money I am making as parliamentary assistant." We saw that just in the last few weeks when one of the chairmen of committee decided to take a position different from the government and was removed from that position. As long as he did not agree with the government he was pulled out of that slot and given a lesser one. If you are prepared to play the game, the government will pay you your little bonus; you get a little extra. The moment you break the rules, the government says, "Tut, tut, we take that away from you now, and you will do this."

We saw that when the member for Welland-Thorold did not toe the line totally and perfectly with the government and he was taken out of cabinet and set aside. He is sitting over on the far fringes of the New Democratic caucus so he is not allowed to have the same say he once had. He has a special little bonus now but nothing like when he was in cabinet. If he continues to misbehave, who knows what the whip or the government is going to do? They have their ways and they are bought off and the backbenchers in the government today are in a position where they are not thinking for themselves. They are not making up their own minds. They are doing it according to their caucus position.

Mr White: On a point of order, Mr Speaker: I believe that the subject of our discourse this afternoon is Bill 86, An Act to amend the Gasoline Tax Act. It is not an act revolving around the member for Welland-Thorold.

The Acting Speaker (Mr Villeneuve): Precisely. Bill 86 is the debating bill today. The honourable member for Markham could address his comments through the Chair, and of course interjections are out of order.

Mr Cousens: Mr Speaker, you are doing a fine job in the chair. In fact, if I have in any way offended the members of the New Democrats by bringing to light the fact that they are all being bought off, I really did not mean to.

The fact that one of them is even listening is quite exceptional, and I commend the honourable member for paying attention to my words.

The Acting Speaker (Mr Villeneuve): The honourable member for Markham on Bill 86, please.

Mr Cousens: But my point is that he is not going to vote according to his conscience. He is going to vote according to the whip.

Mr Perruzza: On a point of privilege, Mr Speaker: In reviewing some of the rules for this assembly, I would ask you to look closely at the language that the Conservative member is using. I have never been bought off, and there are a number of opposition members who hold positions which require further remuneration because of the commitment and time they put into their work, such as yourself, Mr Speaker.

The Acting Speaker (Mr Villeneuve): Order. The member for Downsview does not have a point of personal privilege. The honourable member for Markham, I know, is being provocative. However, please address your comments to the Chair as I have mentioned before, and interjections are out of order.

1650

Mr Cousens: I am just talking about why members of this opposition—not the opposition, members of the government; some day they will be in opposition if I have anything to do about it. Members of the government are in a position where there is a certain comfort. Pierre Berton talked about the comfortable pew; I would say there is a real comfortable seat over there for any New Democrats when they are voting on Bill 86.

The Speaker is waving the bill at me. I am just saying the process around here, as it affects the voting on Bill 86, really prevents the New Democrats from thinking for themselves and doing their own thing. It has to do with the failure in the way this House is organized. Until the member for Nipissing became our leader there was a certain sense of party discipline. It was very rare that a member could stand up and vote according to his own conscience.

Although that agreement had been made and was available in our caucus for the 10 years I have been around here, I would have to say that one of the great failures in this Legislature right now is that there is not more consensus building on issues. I think there is a tremendous benefit in minority government. If we had a minority government right now this bill would not get passed. If the 38% of the vote ended up so that the New Democrats did not have such a huge majority, I guarantee the voters in Ontario that at least this party—when I listen to the Liberals talking the way they do now, they have been converted since they lost the last election.

The Liberals have now come to their senses and say, "We don't want this tax either." They do not have much credibility because it was not that long ago they had 33 tax increases in five years. Now when they come along and say, "We wouldn't do it today," I cannot believe them and no one else is going to believe them. They can say, "We are holier than thou." Who is going to believe the Liberals when it comes to tax increases? They can talk all they

want right now, but they did not say anything in the last five years when they were in office to cause David Peterson and the rest of the money spenders to hold back and stop spending. Now the Liberals stand up and pontificate, holier than thou, and I cannot believe it. They should keep quiet for a while. I think they will enjoy perjury.

Mr Ruprecht: On a point of order, Mr Speaker: The honourable member for Markham should realize that obviously he is on to something—

The Acting Speaker (Mr Villeneuve): That is not a point of order.

Mr Ruprecht: I have not finished yet, Mr Speaker. I should remind you and the honourable member that the real government sits on that side and not sit over here.

The Acting Speaker (Mr Villeneuve): That is not a point of order. The honourable member for Markham has the floor.

Mr Cousens: I woke him up too. I do not mean to be disrespectful of the Liberals. They could not help it then, because they were all bought off by David Peterson the same way these guys opposite are. Every one of them, even the cabinet ministers, were all in it. Their wallets did not have moths coming out of them the way mine does. They were just loaded in those days. They had an arrogance about government spending and government increases and taxes that really was sickening. With the taxes they raised during those halcyon great wealthy days in the 1980s, it was just phenomenal how things were. There was a sense of optimism for the future. What did it hurt? We had enough money left over. We could afford to pay it. We cannot afford to pay it today because we are broke. The people of Ontario do not have the money. We cannot continue to pay the high taxes.

I am hearing that and I am seeing it. The gas tax does not touch just the rich; it touches everybody. You almost cannot live in this province without a car or a vehicle of some kind. You are lucky if you are in the greater Toronto area and have the advantage of the excellent transportation services. So many people are trying to knock the Toronto Transit Commission and GO Transit, saying it is not good enough. It is an awful lot better than if you did not have it, and there are few communities that have.

I congratulated the Minister of Industry, Trade and Technology when he was the Minister of Transportation, because I think he had a commitment to public transit that was right from the heart. I do not like to compliment the minister, but when he was Minister of Transportation there was no doubt he was in the right direction in supporting public transit. He was trying to do it in my area and all across the greater Toronto area.

The other thing, just to give him—gosh, this is terrible; I am having to say—

Mr Cooper: Open your heart up.

Mr Cousens: Okay, I will say it. When the Liberals came in several years ago and announced they were going to have a \$5-billion expenditure for transportation improvements in the greater Toronto area—we have gone through more cabinet ministers in Transportation than any other field around here—at that time Bill Wrye was the

minister. I was critic for the greater Toronto area and I stood up and applauded because I believed it was the right thing.

What was so good about it was that when the New Democrats came in they took their time to think it through. The member for Etobicoke-Rexdale, who is a Metro member, came out and said they were going to continue the commitment for Highway 407, the TTC expansion, the building of the loop and the Sheppard subway. I have to say congratulations on that.

Interjections.

Mr Cousens: I am congratulating a New Democrat because of the positive steps they are making in transportation in the greater Toronto area. The problem you have in opposition is you cannot always keep knocking the government on everything, because not everything it does is wrong. If they do something right I am prepared to stop and say congratulations, because I think this adversarial approach we have around here is not right.

Mrs Mathysen: How about during question period?

Mr Cousens: Question period is different. We do not get any answers in question period. They call it question period. If we ever got an answer to some of our questions in question period, then it would be a different place. When we ask the Minister of Northern Development to resign or ask why she said certain things, slandered or lied, we do not get answers.

The Acting Speaker (Mr Villeneuve): Bill 86, please, the honourable member for Markham.

Mr Perruzza: On a point of order, Mr Speaker: I listened very closely to what the member had to say and he used words and language that is really inappropriate for this place. I would ask you to ask him to take it back. He really should take it back.

The Acting Speaker (Mr Villeneuve): That is a point of view. I did not hear anything that in my opinion was unparliamentary. The member for Markham has the floor.

Mr Perruzza: Mr Speaker, review Hansard. I am sure Hansard got it.

The Acting Speaker (Mr Villeneuve): We will review Hansard. In the meantime, I did not hear and I am allowing the honourable member to continue.

Mr Perruzza: You will review Hansard and report back, Mr Speaker?

The Acting Speaker (Mr Villeneuve): I did not hear anything unparliamentary, with all due respect.

Mr Cousens: My problem is that when we are into this debate about a tax bill, I think we really have to talk about what we would offer as an opposition. I would like to touch on some of the things that would deal with the restraint that would be possible under a Conservative administration and some of the points that have been raised over the last number of years by our leader. I have a number of proposals we have suggested and they all have to do with the kind of restraint and control of government spending, of the coffers and of the purse-strings, that any government should have but that is totally lacking with this socialist crew now running the province.

Mrs Mathysen: You were doing so well.

Mr Cousens: I am sorry. I was interrupted. I was going to keep on a positive note until I was rudely interrupted.

My point here is that our caucus has made a number of proposals that there should be a government-wide review of all expenditures to determine where spending should be cut. There is no one who is running his or her business who does not say: "We're into difficult times. What can we do to make sure we've reduced our spending and kept our costs under control?" People are doing that this Christmas.

An Angus Reid poll indicates that some 40% of the people in Ontario will not be spending as much this year on Christmas because of their fear of the future and because they just do not have enough money to plan into the future. People, in their own private investments and their own funding of their own lives and families, are being far more constrained not to spend money than ever before. Yet at the same time we see this government not going through and examining programs to see that they are there. Are skills development, skills training and some of these other programs really reaching the need that is out there?

People come to my office looking for some help to be retrained for a new position because they no longer have a job. They are 26 years of age, and because the money that is coming into this government through Bill 86 is being redirected into programs that will not apply to them, they are caught short. They are in a position where they have to claim social assistance. For a government that has a social conscience one would expect it to be doing something for all the people, especially those in need.

1700

But over the last little while we have seen an addition to ministry staff here in Ontario at the assistant deputy minister level. There is a whole new increase, a new stratum of people who are now in positions never before needed. In the Ministry of Transportation, where there was once two or three assistant deputy ministers, there are now five to seven. Look at each ministry. There is a large increase in the number of assistant deputy ministers, people who receive large salaries, large benefits. Quite candidly, the province cannot afford that kind of cost.

We are talking about ministry spending. In previous presentations to this House I have commented on the 200% to 300% increase in allowances that are being spent for ministry offices where ministry staff has been increased to such a level that every minister around here has legions of people to help him in his responsibilities.

I want to just touch on some of the points that were raised earlier by the Conservatives here in Ontario that would have—

The Acting Speaker (Mr Villeneuve): On Bill 86, I hope?

Mr Cousens: It certainly affects Bill 86, because if we had instituted these policies and if we followed them right now, we would not need to have a gas tax increase. This gas tax increase is just another excuse to raise the revenues of the province. If the province had reduced its spending and done some of the things I am suggesting in the restraint

program, we would be in a position not to have this additional increase in taxes.

We are talking about a policy whereby the government would hold the increase in spending below the rate of growth in revenue. In other words we are not going to increase debt. Control our costs so that each year we are living within our means. Anyone in a family or a home or a student or whoever it is has to look at his budget and realize you live within your means. Do not go and build up a debt on a Visa card, Mastercard or American Express—you cannot on American Express because they will come after you very quickly unless you sign the little thing to make a debt out of it.

We are just so debt-ridden, and people seem to see that as a natural way of living. Canadians used to be known as great savers. We were known across the world as people who had a little bit of money in a savings account. As I look around now it is the rare person who has got very much money in his savings account to help him over a lean day. In fact, most people are really only one or two paycheques away from bankruptcy. Have members ever thought of that? Most people are only one or two paycheques away from bankruptcy. That means we are cutting it so close that there just is not enough left over to do what you really need to do with your money. It is getting harder and harder to survive each month because of the additional taxes the province continues to take away from us.

Paying for gasoline is just another tax. You have to drive a car; you need the transportation services. Some people may have old, beat-up machines that just barely get around. The tires are worn down and the engine stinks and the car is old and dilapidated but it is transportation because it is essential.

Mr B. Murdoch: Can't afford new tires because of the tax.

Mr Cousens: They cannot afford new tires. They cannot afford a tuneup. They cannot do the other things because of their monetary situation. So I am saying to you, Mr Speaker, that many people are trying to live within their means and by doing so are able to spread the money out as far as they can, look after the essentials, pay for their house, the roof, their insurance, their food, their clothes, their children's education, their necessary drugs and things that are not covered by our medical system. But then many people are not able to handle that. They are having to go and rely on food banks. They are going into debt, or there are many who are having to eat insufficient or improper food in order just to stay even.

I know of parents who are going without so that their children can have. I respect them immensely, because the sense of integrity they bring to their own fiscal responsibility and the pride they have and want to pass on to their kids mean they are going to try their best to live within their means. What I really am beseeching the government to look at is, find better ways. I am going to come to the government's own restraint program, as a government, where it does not begin to touch on true restraint.

They should set as a policy that they are going to live within the revenue they take in. If it is going to take us two or three years to get there, let's do it and let's realize there is a belt-tightening exercise we are going to have to go through. That is part of what it is going to be to be fiscally responsible.

Let there also be a freeze—this was one of the recommendations by our caucus in 1988—on direct operating expenditures pending the completion of an expenditure review so that no area in this government receives any more money for anything, that all departments and all spending be frozen at this year's level. That means they will not need to have a Bill 86 next year for a gasoline tax increase because they are not going to need extra money. They will have frozen the level of spending right across the government.

Let there be an allocation of in-year revenue windfalls towards deficit reduction. On that order, I would really hope that the \$110 million that is coming in from the Sky-Dome—I think it is \$110 million; it is tricky when you have different notes here—and is going to be a cash dividend to the province, goes right in to reduce the deficit. If there are any other windfalls coming in between now and the end of fiscal year 1992, which is at the end of March, then they should not just go and put it into operating expenditures to the province; they should put it towards the reduction of the deficit.

Let there be as well—one of the recommendations we made—an audit of all tax expenditures, the elimination of all non-productive tax expenditures, and the sunseting of all future tax expenditure measures. We need to have a fresh look at every expenditure we are taking. We have said several times, "Tax freeze; freeze the taxes; no more tax increases."

There would be a tremendous sense of consolation to the people of Ontario if Pink Floyd, our honourable Treasurer and Minister of Economics, did not come along and predict that in 1992 there are going to be tax increase. How tragic that he has said this and that he is planning for it. That he said it has really caused another sense of despair among business people and others in our economy, who now realize that the Bob Rae government is going to have tax increases in the next budget in the spring of 1992.

They are already talking about tax increases. One of the ones I have heard is that they are going to increase the Ontario provincial sales tax by another percentage point and that they are also going to increase the personal income tax, which goes to the provincial coffers, by two percentage points. The fact that this province is continuing to plan to increase taxes in the future, when we have not even got these ones approved by the Legislature, shows tremendous bad faith in the future of the province.

We would not need Bill 86 and a gas tax increase if in fact we really looked at the affordability of the programs we now have. Somehow or other our social assistance program has reached a point where it is still not working. I as well as my caucus supported the presentations by John Sweeney when he was Minister of Community and Social Services, and the Social Assistance Review Committee under George Thomson which came in with an excellent

report, which show ways in which we could wean people from social assistance and get them back into making a worthwhile contribution to society. The fact of the matter is that this government has not really gone ahead and implemented all those programs that have to do with re-education, retraining and relocation of people. Those are some of the things that are really implicit in helping these people get going.

Mr Cooper: There are no jobs to re-educate and re-train them for.

Mr Cousens: The honourable member says there is nothing to retrain them for. That is maybe where we need to have a much better vision of what we can do with our economy. Ontario has a great deal to offer within the computer industry. We could be the communications giant in the world when we have Northern Telecom and the tremendous educational basis we have in Ontario for the future of Ontario. Why is it that we are not the communications giant worldwide, where we can take the technology we have developed in this country, through message-switching, use of modems and use of telecommunications? We are a communicating country. We use the telephone more than anybody else. Also, in computer communications, if the programs that the government developed had somehow taken these areas and if it had invested in it for the future, then there would be far more hope for those people who do not have an opportunity right now.

1710

Our caucus has called for a balanced budget. We have called for no increase in the net tax burden on Ontario residents. We have called for the financing of priority programs and any new initiatives through the reallocation of revenues from the current revenue base. So if the members opposite have something new to start, they should not think they can do it unless they can find the money from someplace else within existing budgets of Ontario.

Let's understand that we cannot continue as a province to download and offload provincial programs and expenditures to the municipal tax base. The municipal tax base is now at the point where we have overloaded local taxpayers on the costs of running our school system and our municipal programs and our roadbuilding and our regional programs.

Municipal taxes are already too high. They have increased at double-digit levels for the last number of years. The government should stop it. It should not download any more to the municipal tax level. We have seen in Blenheim the beginning of a tax revolt. I thought we would see far more of that tax revolt in the municipal elections of November 12. I know that there are some areas where every reeve was removed from office because the people in those areas were genuinely concerned about the way taxes were going up.

I would have to tell members of the Legislature that unless we begin to understand the impact taxes are having at the local level, this downloading of provincial responsibility—it is just a tremendous burden to our seniors. I am hearing the seniors. These are the people who helped to build our province. They have made a commitment

through two great wars. There are not many left from the First World War. We have the recognition of those in the Second World War, in the Korean conflict. They have made a significant investment to make this a great province to live in and now they are on their pensions and they just do not have the means. Their pensions are not indexed. Their pensions are not increasing with the cost of living. Their incomes are fixed, and yet as the cost of their taxes continues to grow at a far greater rate than they are able to afford, many of them are afraid they will not be able to stay in their homes or their condominiums any longer. It is a dreadful fear to them, a terrible fear. The province downloading programs to the municipal level means that the municipal councils and regional councils at local government level are having to raise the money through provincial tax levels.

It was terrible when Bob Nixon, who was Treasurer, said, "I want to see what the debt-load capability is at the municipal level." Then, having understood that the municipal level was able to increase its debt load to a much greater amount, that is when it became a matter for the province as a matter of policy to download programs.

I saw it with York region's boards of education, where both boards had huge extra responsibilities laid upon them. Pay equity cost the York public board \$6 million in the first year of implementation, but that is just a small area where it was passed on; in the courts it was passed on. It was passed on in Bill 20 and the lot levy fees, where the local government has to pick up far more of the cost of buying school property. All these things begin to accumulate. The local taxpayer does not understand that the problem did not start with his local government. We cannot blame Mayor Roman and Mayor Jackson and Mayor Bell, the mayors of our municipalities. The fault started here. It started here as we downloaded to the municipalities.

I will go on record. I think the federal government has been absolutely wrong in the way it has arbitrarily, unilaterally and without any notice come along and changed the level of funding for provincial programs and then the province had to go and pick up the difference. When I blame the Peterson government and the Rae government for downloading and offloading, I also attribute blame to the federal Conservative government for the way in which it is doing it to the provinces, because then we are in the position where we have to go and collect it somewhere else.

I have to point the finger there and there at the same time. There is a sense of responsibility for it, and I say it is one of the real areas of crisis of confidence in this country, because we do not know whom to trust any more. When you have a commitment by a federal government for programs and it reneges on it, when you have a provincial commitment for programs and it reneges on it, just because you have two groups of politicians lying, it does not make either of them right. Two wrongs do not make a right. What we have to understand is that we must stop the downloading so municipal tax rates do not continue to increase the way they have. We cannot continue to afford it.

I have a mother who is a pensioner in downtown Toronto. She owns her house and she worries now in a way she has

never worried before. In fact, if she is watching, hi, Mom. She just turned 90 this last week and she still watches this program. I will put in a word for her so we all salute mom, Mabel Cousens, here in Toronto. My mom worries about the taxes.

Mr B. Murdoch: Did you send her a scroll?

Mr Cousens: I sent her a scroll signed by the Premier; I could not believe it. I gave it to her with pride because I was doing it for the Premier. I put my hand over his name and said, "It's from me, Mom."

None the less, we as a province have to stop downloading to the local level because there are many people just not able to meet the costs of that. It becomes a philosophy of government and a matter of fact that this government does not stop spreading out the punishment. What we have to do is stop that.

What we have also suggested—I am touching on the restraint proposals from the PC caucus—is to cut \$2.25 billion from the \$44-million budget over four years. This would eliminate 4,500 civil service positions, reduce office space and cut consulting, administrative and ministerial costs.

If we were to reduce the Ontario government budget by the kinds of dollars we suggested in 1990, we would not need Bill 86. The Speaker was just waving the bill so I could tie this in. We would not need to have this tax increase if the government had made a commitment to cut some of its spending.

I have to compliment our leader, the member for Nipissing, for the position he has taken in suggesting that there be a 2% cap on wage and salary increases in the broader public sector in Ontario. He made that suggestion this year.

What have I said earlier? The increase to the Ontario civil service salaries, with benefits, comes to more than a 16% increase in the fiscal year 1991-92. Can members believe it, a 16% increase in one year on salary levels in Ontario? We cannot afford that because for one thing we are building a deficit, and for another thing the government is having to add taxes to pay for it. That is just the kind of thing that causes our blood to boil.

Listening to CFRB last evening I heard someone say, "Those MPPs down at Queen's Park are making \$100,000 a year." I have to say that the only people making \$100,000 a year around here are the cabinet ministers—

Interjections.

Mr Cousens: —and they are not even making it either. Okay. So there we are having our salaries frozen for two years and yet the civil service gets an increase of 16%. How does a person stand up here and start asking for more money? What we should have is an outside agency that looks at MPPs' salaries, and we should get rid of the tax-free part. How stupid for us to have a tax-free part.

That is where the Premier, when he was in opposition, had so much to say about the salaries of MPPs. Now that he is in there he is not looking at it. That is irresponsible. I am not going to use stronger language because you should not call another member a hypocrite, especially when he is

Premier. He had one story to tell when he was in opposition and now he has quite another story as Premier.

Mr White: On a point of order, Mr Speaker: The bill to which the member is referring is the Legislative Assembly Act, which is not before the House for debate. What is before the House is Bill 86.

The Acting Speaker (Mr Villeneuve): Thank you. It is not a point of order. I have reminded the honourable member on numerous occasions about Bill 86 and I think he does refer to it from time to time, in cutting expenditures.

1720

Mr Cousens: It all ties in to Bill 86. Here we have another tax increase and the government is adding to the tax level of the people of Ontario. We cannot afford it any more. For New Democrats, I would have thought there was a high probability of a few free thinkers who would say to the Premier and the Treasurer: "Look, guys, we want to do the responsible thing here. We're going to cut back on our spending. We're going to set an example and we shouldn't be increasing these taxes the way we are." But that is not what is happening and I do not see any sign that the government is going to back off on these increases.

What I was commenting on was the MPPs' salaries. People think that we are very well paid. I happen to have the opportunity of having a job outside the Legislature as well as being an MPP, and in the process I am able to have my level of income such that I am able to continue to live in the way in which my family and my lifestyle necessitate. There are a number of members in this House who continue to do other jobs outside this place.

I have never hidden the fact. It is in my conflict-of-interest declaration and I made it clear long before now. But I resent the fact that I have a tax-free portion and that we all allow it to carry on. Let's look at the salaries of MPPs and be responsible about it. If it turns out that an outside commission comes in with some recommendations so that we are not the ones who come along and start fudging our own salaries and so on, let that be the case.

Before the member for Durham Centre made a point of order I was about to call the Premier a hypocrite, but I will not do that because it is not parliamentary. He had a lot more to say about this when he was in opposition. He has nothing to say about it now that he is in government and he is allowing that to sit around.

You have to have a balanced review on everything. Everybody says, "Don't talk about MPPs' salaries." It is all part of the whole picture. People think we are making more than we are—and what we are making we work awfully hard for—and I can say that members of the House, New Democrats, Liberals, Tories and independent New Democrat, are hardworking people for the most part and earn what they are receiving. So let there be a proper evaluation of that.

Notwithstanding that, it is wrong. If I am talking about restraint, let's do something about the tax-free portion. It is just an issue. It was debated yesterday. I touch on it today and I know I am going to get some phone calls saying:

"What do you want? You're making too much for what you're doing anyway."

Mr Mills: You're right. Making too much now.

Mr Cousens: I know. The member says I am right.

A freeze on the government's and Legislature's direct operating expenditures. I cannot believe we have over \$100,000 of audio-visual equipment sitting around the Premier's office that has not even been opened yet. What the Sam Hill—they go and order the equipment and they are not even using it. That is setting a terrible example.

When I talk about restraint, our caucus is on record as having a number of proposals that will begin to protect this province from the kind of spending that is going on. We come along and we say, "Immediately have a look at the Ontario Waste Management Corp." It has been going at it since 1981. We would not need Bill 86 if they had some control on the spending of this government.

The Provincial Auditor just brought out again some of the money that is being spent by Dr Donald Chant, who is the chairman of the Ontario Waste Management Corp. They have been going at it for 10 years. We still do not have a hole in the ground to get rid of toxic and hazardous waste, and yet we heard in the auditor's report that two executives spent \$15,000 taking co-workers to lunch. Come on. There is \$15,000 less that they have to tax for.

Officials spent \$14,000 on 10 meetings in hotels when corporation offices were available. This government, the New Democratic government with all the self-righteousness when it was in opposition, criticizing David Peterson and everyone else for overspending, is continuing to allow the same kind of overspending by organizations and crown corporations outside the government. Absolutely wrong.

When you look at the money the Ontario Waste Management Corp has spent, it is another example of overspending by this government. Legal fees which were budgeted at \$760,000 ended up costing \$1.6 million. We are talking more than double the cost of legal fees, and they were never even budgeted. They have to budget in advance and they have to budget so they are not budgeting a deficit. But the Ontario New Democrats do not know how to budget in any way except to spend money we do not have and allow corporations within their jurisdiction to do the same thing.

I was surprised as well that a consultant who was hired by the Ontario Waste Management Corp was going to cost \$40,000. It ended up that he was paid how much? He was supposed to be paid \$40,000. How much was he paid? Was he paid \$80,000? More. How much more? \$100,000? More. Was he paid \$150,000? More. He was supposed to be paid \$40,000. How much was he paid, \$200,000? More. He was paid \$290,000.

Interjection.

Mr Cousens: Wrong. Come on. Would the members not like to be on the payroll of the New Democrats or one of their crown corporations? He was supposed to be paid \$40,000 and ended up getting \$290,000.

Mr Carr: On a point of order, Mr Speaker: I was wondering if there is a quorum present.

The Deputy Speaker ordered the bells rung.

1726

Mr Cousens: I was commenting on some of the extra costs the Ontario Waste Management Corp has been spending money on. It is really excessive. We would not need to have huge tax increases if money that was being spent by different corporations within the province's jurisdiction was much less than it is. I was just pointing out that a consultant who was hired on for \$40,000 ended up receiving \$290,000. That is an example where a government that is in control of the purse-strings would not allow that kind of overexpenditure. That is the kind of leadership one would have expected from the member for York South in opposition. When we see him now in government that is certainly quite a different story.

The point was also raised in the Provincial Auditor's report that many consultants were hired without competition. You cannot have it that way. There has to be some method by which anyone who is qualified or capable can be given a fair opportunity to quote on a job, and if he has the capability he has a chance of doing it. What we are instead seeing is that there are favouritism methods. I will be coming back to that because there are excellent stories in the media on that one.

What we are seeing is a facility that if it does open in 1995 will cost \$419 million in 1991 dollars. When it starts up in 1998, the cost will rise to \$498 million—close to \$500 million. Maybe it is time for the Ontario government to look at the Ontario Waste Management Corp and see whether or not the original objective is still valid for the Ontario Waste Management Corp that was structured when the corporation was first formed.

If we have other ways to dispose of liquid and hazardous waste through private concerns or other methodologies or, as it has turned out, Dow Chemical and other chemical companies have found ways by which they are able to dispose of their own hazardous wastes within themselves, it might mean we are not going to see generated the volume of hazardous waste that was predicted when this commission was first started.

The government should go back and relook at it. They might have to cut bait and not continue with the study for the Ontario Waste Management Corp if it turns out there are other ways in which we solve the problem. The government has lost the money that has gone into it now, well over \$100 million, but why keep pouring money into a hole if that hole is no longer valid?

Mr Mills: On a point of order, Mr Speaker: I understand the great concern the member for Markham has on waste management, but I think we are talking about Bill 86, the Gasoline Tax Amendment Act. I would appreciate it if we could keep to that.

Mr Cousens: I am. I guess the problem is the honourable member does not see that we are concerned with the spending of money. If the government did not keep overspending money and throwing it away as it has in the last year, then it would not need to have the tax increase we are seeing in Bill 86. That is the point I am trying to get to, I say to the member for Durham East, and that is implicit in the illustrations I am making on the Ontario Waste

Management Corp. The Ontario Waste Management Corp is an illustration of where this government has totally and irresponsibly lost sight of its objectives. This government has overspent its money. They have come along and spent money—Mr Speaker, I know I should speak through you, but I just cannot believe the member for Durham East does not tie in the whole problem we have with a government that is so irresponsible—

Mr Mills: Try to get to the point.

Mr Cousens: The point is that they would not need to have a tax increase if these guys and gals and people who are running this government today did not spend so much money, and if they came along and controlled their budget and tried to be fiscally responsible. That is what has really got us upset. We are not just going to come along and say yes to it.

We do not want to hear from the Liberals. We have heard from them. We know exactly where they are coming from and the credibility they bring to the issue is non-existent. So what we are really—

Mr Ruprecht: We were trying to help you out.

Mr Cousens: Oh, I am sorry; you were trying to help me out. In that case, I would like to hear what you have to say.

I would like to refer briefly to New Directions: A Blueprint for Economic Renewal and Prosperity in Ontario, and what our leader is talking about is “a billion-dollar economic strategy to spark the development, use and worldwide marketing of leading edge environmental technology. All of the funding required to implement this strategy already exists within Ontario government coffers, existing industrial support programs, and regional grants and loans. No new revenues are required.

“The plan, dubbed BEST (best environmental support and technology), would be anchored by a \$330-million investment—from the unallocated balance in the Ontario technology fund—over seven years, to assist Ontario companies to research, build and sell new environmental technology.”

We have to invest in our province and in the future. If this government continues to skim the money off companies and individuals through such things as this gas tax, people will not have money on their own to invest in other projects and other things. What we have to see is a government that is instead looking to methods by which it can go into the future and say, “Here are programs we can develop.”

There are a number of programs that could be developed. The whole environmental issue is an example where the government is just wasting so much money. Why it is that the Minister of the Environment has such control over this cabinet when it comes to Bill 143—which we will be debating in public meetings starting January 20 in the standing committee on social development, and we will be going into the effects of this bill—that the minister has set up policies she is not prepared to expose to a full environmental assessment or to any kind of independent view? They have been policies enunciated by the minister based on her own political beliefs. Those policies are going to cost the taxpayers a great deal of money, and at the same

time, she has not opened it up so that there is a balanced view coming in.

She says we cannot ship waste outside the greater Toronto area. This has to do with Bill 86, because what happens now is that the government needs more and more money to handle its programs. It has spent millions and millions of dollars trying to come up with a waste management program—we call it an Interim Waste Authority; there is nothing interim about the waste authority for the greater Toronto area because it is a long-term problem we are creating—but the government, in taking the extra tax money through Bill 86, is building up a greater bureaucracy to deal with waste.

The minister now is no longer known in centres around this province as the Minister of the Environment; she is known as the minister of garbage. But her policies are costing us money and that is why they need more money. They are removing options to ship garbage to Kirkland Lake or to outside centres. They are removing the option of incineration from even consideration by environmental assessment. They are removing the option of even looking outside the greater Toronto area for potential sites for garbage.

We are talking about restrictive thinking, thinking that does not open up the possibility of other options. All those restrictions cost money, and when they have a shortage of money they come along and start raising it at the grass-roots level, as we see here with Bill 86. It is wrong. It is absolutely wrong.

When we are talking about the New Democrats and their methods of dealing with these things, I have to say we categorically reject them on this side of the House.

What I have seen instead is that the government has come along with a few points of its own restraint program and it does not begin to measure up. On November 1991, the Treasurer outlined the measures his government was implementing to offset a shortfall of \$670 million in personal income tax revenues. This was the second time in six weeks the New Democratic government was forced to take steps to keep its budget plan deficit projection on track.

To deal with this \$670-million shortfall in the current fiscal year, the government has imposed a freeze effective until April 1992 on the purchase of vehicles, furnishings and consulting services for an estimated savings of \$50 million. That is so small. I am glad he is doing it, but when we see what he is doing, it only adds up to the \$670-million shortfall.

He says he has reduced the capital spending program by \$200 million. Funding for projects affected will be absorbed in the capital program next year. He is not talking about significant measures. He has allocated the \$150-million proceeds from the sale of SkyDome for just the deficit reduction. What he has also done is to project that we would receive proceeds of \$70 million from the sale of assets from crown corporations. All it is going into is current operating funds from the sale of current corporations, not to the elimination and reduction of the deficit. In total, the government has now deferred nearly \$600 million in spending to the next fiscal year.

I have to say that when I listened to the member for Nipissing, he has charged that the measures taken by the government show that the Treasurer is living in Fantasyland. He has said that the government's approach would simply worsen the financial position of the province in the next fiscal year, would cost jobs and force the province into a fire sale of assets in the middle of a recession.

We are seeing a government react to the ownership of its assets. It is trying to get rid of its assets. It makes sense in certain cases to relinquish control of certain assets, but just to throw it into the ongoing operating funds of running a government makes no sense at all.

We are talking about a government that continues to spend. When it talks about restraint, it has not begun to address just what restraint is all about. What we are seeing now is that in this year the government is going to collect \$18.6 billion more in taxes than the government did in 1984-85, an increase of 123.6%. Since 1985 the taxes here in Ontario have increased by over 123%. The government will collect \$9.7 billion, or 155.5% more in personal income taxes, nearly 80% since 1984-85—

Hon Mr Allen: That is a good figure to use.

Mr Cousens: The member was part of the joint agreement to get the Liberals in there, so he has to accept responsibility for the programs they brought in.

Nearly 80% in the \$3.5 billion more in retail sales taxes, 66% more in gasoline taxes and 223.7% more in land transfer taxes since 1984-85: huge, phenomenal increases in taxes in the last five years. In the current fiscal year, tax revenues account for 78.1% of the total revenues and represent the equivalent of 11.9% of the province's gross domestic product. In 1984-85, the comparable ratios were 62.9% and 8.8% respectively. We are up by 50% now in our ratios as they would affect Ontario.

I cannot believe what is happening. Fiscal recovery is a lot further off, as the New Democrats will rely on deficit financing for the remainder of their mandate. Here they are increasing taxes but increasing the spending, so we increase the debt. I will get into what it really means to have an increase in debt.

1740

The New Democrats' midterm fiscal plan shows that in addition to this year's \$9.7-billion deficit Ontario's smiling socialists will add another \$25.1 billion to the province's accumulated deficit from 1992-93 to 1994-95. Can members believe it? Some \$25.1 billion more in deficit over this period of time.

The New Democrats will then effectively push the province's accumulated deficit, which stands at an estimated amount of \$44.5 billion in the current fiscal year, to about \$70 billion in 1994-95. When measured in relation to the accumulated 1990-91 deficit of \$34.8 billion in the midterm fiscal plan, it indicates that the New Democrats will effectively run up as much new debt in four years as has been accumulated by all previous governments in Ontario. Can members believe that? I want to repeat that line because I do not think I had the attention of everyone. When measured in relation to the accumulated deficit in 1990-91 of \$34.8 billion, the midterm fiscal plan indicates

that the New Democrats will effectively run up as much new debt in four years as has been accumulated by all previous governments in Ontario.

Ontario's debt service charges will also rise as a percentage of provincial revenues as New Democratic Party policies begin to erode the bottom line. By 1994-95 debt service costs will account for 12.3% of the total revenues. At the federal level over the same period, public debt charges, measured in relation to federal revenues, will drop from 33% of revenues this year to a projected 26.5% in 1994-95.

Every other government has come to understand the implications of having a debt to carry, because it means that more and more tax dollars are just going out to pay service charges on the debt. We know that part of the federal government's major financial problem now is the shortage of money and the large amount it is having to pay. A third of all our federal taxes are just going into servicing our debt. Instead of saying, "We want to keep our debt charges down so that more of the tax money that comes in from future generations and future taxpayers goes toward programs and servicing people," the Bob Rae government's sense is, "Let's allow the debt to increase," and therefore the debt load increases, and then it means they are not going to be able to have the same number of programs and services for Ontario because they are busy paying those service charges on debt.

The Treasurer has blamed his deficit woes on federal policies and in particular on changes to transfer payments, which he says will cost the province a total of \$3.6 billion in 1991-92. However, our sweet Treasurer does not mention two key points. First, other provinces have had to live with the same changes in federal policies and have not tripled their deficits. Second, the Treasurer, unlike every other finance minister in the country, has done nothing to restrain his own spending.

I have commented on this before. I am disappointed that we have had cutbacks from the federal government, but I am as disappointed or even more disappointed that we have not seen leadership from the Treasurer of Ontario to reduce his own spending. To increase his deficits at an unprecedented rate is just giving an excuse for financial irresponsibility and for creating a problem for us when we take power in 1994-95. It is going to make it a very difficult day to try to get the scales balanced at that time after what we have dealt with.

I would like to just touch on a few of the issues that have to do with the New Democrats. What they have really done is be irresponsible in their spending. The examples of irresponsibility continue to multiply.

Because it does not tie in with this bill, I am not able today to talk about the Minister of Northern Development and Mines with regard to her irresponsibility in the statements she has made about a doctor, and about the anger that exists in this House today over the member for Sudbury East not having resigned. Unfortunately, that does not pertain to this bill. I would like to be able to talk about it right now but I am not able to.

I would like to touch on some of the other problems with the New Democrats. I would like to put on the record

other examples of the sickening family affair that exists with the New Democrats as it pertains to the way they spend money on themselves.

I stand to be challenged by any New Democrat who wants to prove otherwise, but I understand that the Minister of Citizenship has a special assistant who is a daughter of the former Minister of Community and Social Services. What we are talking about is one minister hiring another minister's daughter to work in her office. We understand these are political jobs, but there is still a great deal of secrecy going on about the number of New Democrats hiring other members of their families to work in very high-paying jobs.

We understand that the—

Mr O'Connor: On a point of order, Mr Speaker: I am having difficulty trying to see where this relates to the bill before this House today. Perhaps you can have the honourable member return to the debate on the bill.

Mr Cousens: It affects the bill because of all the extra people the government is hiring. It is part of the 1,500 more people hired by the New Democrats. It is more money going out. If the money were all going to improve programs, that would be one thing, but the money is going to improve the pockets of the family members of New Democratic cabinet ministers.

We understand that the Minister of Citizenship hired Ms Aderonke Akande, the 21-year-old daughter of the member for St Andrew-St Patrick, the former Minister of Community and Social Services who stepped down recently.

The Deputy Speaker: Order. The debate is on Bill 86 and I think the member knows that. I would recommend he debate Bill 86.

Mr Cousens: I guess it is painful to the ears, is it not, Mr Speaker? No one really wants to hear it. No one wants to know what is going on with government moneys. Therefore if we just put it under a bushel basket no one will understand what is going on with the province's moneys in Ontario. Go hide it; keep it a big secret; let there be no public exposure of the way the New Democrats are spending the money of the province of Ontario.

If they did not spend as much money they would not need to raise the taxes in Bill 86 and charge every person. Therefore, when you are putting the extra money in your gas tank, that goes to the province of Ontario. Remember that money is also paying for the salaries of the daughters of cabinet ministers of Ontario, and that is absolutely wrong. Although I know it is a little distant from Bill 86, it has a lot to do with the fact we are dealing with an irresponsible government spending our money in the wrong way, and there is no way we can get back at them.

They have the power for four years. What can we do? We can come along and we can table it. Where do we table it? When do you come along and say: "Hey, you're hiring all your relatives, you're giving them jobs. It's wrong to spend our money that way"? What do I do? I say the government is raising a tax here, that Bill 86 is causing us to spend more money on our gas, and none the less the government is hiring family members of other members of cabinet. There is no doubt about that.

The public will not put up with it. It is called nepotism, where one person helps another person. When the government spends money like that it is irresponsible in the extreme. The world does not know about it until we start making it a news item here in the Legislature.

They do not talk about it. If we do not talk about, no one is going to talk about it. Bill 86 is an example of government spending. They are raising another couple of hundred million dollars on the gas tax and I have to say—it's stretching it—they are putting the money into the pockets of cabinet ministers' sons and daughters. That is what has got us mad.

The Deputy Speaker: Order. I will ask you to debate Bill 86.

Mr Cousens: I am talking about Bill 86 because the government would not need to increase the taxes, and that is what Bill 86 is. Bill 86 is a tax increase for everyone across the province who is in a car, and it is going to cost them just a little bit more as of January 1 because of this bill. The tax goes up again. Ontario will be the leader once more on its taxation levels. Gasoline taxes go up. It is how the government spends those moneys. If those moneys were spent in a responsible way, then members opposite would be such a happy opposition.

I think we would see a much different House if it were a minority government here, because we would not see a bill like this coming before us. I will tell members something else: With all due respect, we would not see the government in power hiring the sons and daughters of other members if it were a minority government. They do not want me to stay on that issue, so I will move to another one of many.

1750

What we are talking about is a number of issues where businesses are being frightened away by this government. In a very recent speech, the president of Ford Motor Co said something that has to do with the competitive nature of Ontario. He said, "Frankly, entrepreneurs are afraid to invest or expand in Ontario." Do members know one of the reasons they are afraid to expand and invest in Ontario? It is that we have a government that is so busy spending money on itself, increasing the costs of government and increasing the cost of living, making us uncompetitive with other jurisdictions. We cannot continue to do this. We are pricing ourselves out of the market. For a government that has a responsibility for everyone here in the province, we want to make it an attractive place for investors and people to come to and put their money in.

We have Mr Harrigan, the president of Ford, one of the very responsible leaders saying, "One of the reasons"—he did not say this exactly—"we continue as the Ford Motor Co to invest in Ontario is that we've got so much invested here already that we have little choice but to continue to make those investments." That is true of the large people who are already here.

The likelihood of new money coming in, as members saw with Piper Aircraft, where it came for whatever reasons and the reception given to it by the Ministry of Industry, Trade and Technology—certainly not a warm

welcome—caused it to say, “We’re going to think twice before we come and put our money here in Ontario and bring the 5,000 jobs to some community here.” That is what you call a province that is making us uncompetitive. They do not care about business, it would appear they do not care about big companies and it would appear, when you have a tax increase like this in Bill 86, that the government does not understand the ramifications and the ripple effect that tax has right across the whole spectrum of our society.

What do we do about it? I think all I want to do is make sure the government understands we are not about to sit around and take it lightly. We are not. We are not about to support this kind of bill. We are not about to come along and let this government think it can just be so hard-handed as to make the increase it is suggesting.

The government does not know how to use our money at the Workers’ Compensation Board, if what I hear is true that in late 1988. The Liberals would have caused this to happen. The Workers’ Compensation Board transferred \$400 million to the Euromarket to be placed in foreign stocks and bonds, and as of October 31 of this year the investment was worth approximately \$7 million less than what they had invested at the time. What we are talking about is another corporation of the government showing irresponsibility in the way in which it is spending Ontario government funds.

We are dealing with the Workers’ Compensation Board that already has an unfunded liability of close to \$9 billion, yet the government continues to allow that unfunded liability to increase and increase, again causing Ontario businesses to become uncompetitive with other places. When people are looking for a place to establish their business or their company, they are going to think twice before they will come to Ontario.

This province is becoming uncompetitive because of our hydro rates. There is not anyone who accepts our hydro rates as being a positive thing. I have a letter here written to the chairman of Ontario Hydro, again a friend of the New Democrats. It is a letter from one of the large companies here in Canada.

Interjection.

Mr Cousens: For this company to be globally competitive—

Mrs Mathysen: If you had explained it they would have understood it, I’m sure.

The Deputy Speaker: The member for Middlesex, please.

Mr Cousens: This company says in its letter to the chairman of Ontario Hydro:

“We need lower hydro rates, not higher rates. Had your 1991 increase been closer to the inflation rate, our company would have experienced a real gain in productivity. Like other Ontario industries, Ontario Hydro must be globally competitive. Surely there must be something that can be done to improve the operations at Ontario Hydro which can improve its efficiency and reduce costs.”

Then it goes on to say in this letter: “Ontario has already changed from being a net exporter to a net importer

of power.” Even on power, this government has shown it is not able to understand the balance that is needed.

One of the inducements that brought companies and businesses to Ontario for the longest time was that we gave them a competitive advantage on energy costs. They had a competitive advantage on gas costs. They had competitive advantages. The government should tell me today where there is any competitive advantage to being in Ontario, point it out to me. It is not there on energy costs; it is not there on labour costs; it is not there on workers’ compensation costs, and it is not there on employment health costs. It should show me where there is any advantage for someone to come into Ontario.

I asked a friend of mine from the Chinese community: “Why is the Chinese money not coming into Ontario right now? Is it still there?” He said, “Yes,” and in his very inimitable, wonderful style he said: “The money’s there but it is floating. It is waiting for a place to come down.”

The money is there to come and the confidence there, but there is no confidence in the Premier or Pink Floyd or the New Democrats’ socialist methods, because it is making it difficult for people to think there is going to be any chance to make a dollar here in Ontario. The socialists have made it unattractive for people to come into Ontario, and the gas tax becomes just another reason for them to say, “Why come here?”

The socialists have done it with day care. How can they do what they have done to day care? They are taking \$30 million from the gas tax in Bill 86 and giving it to make non-profit day care. There is something you can fight with me, Mr Speaker, and you are not a fighter, but I make the point to you that this is another illustration of the gas tax being misspent.

The \$30 million is going into day care for the non-profit sector in Ontario, \$75 million over five years, by this government. How many new day care places are being created by this New Democratic government? Not one. There is \$75 million for day care and it is all going to put out of business the private day care centres because they make a profit. The government is taking my gas money under Bill 86 and putting it into the hands of non-profit day care.

I support day care and I support non-profit day care, but I also support profit day care. Why can we not have both profit and non-profit day care? This is the way to settle it: The government should not go and spend \$75 million or \$30 million this year. They should set a level playing field and say: “Here are the standards we require of both profit and non-profit day care. You have to have the same high standards of health and monitoring.”

Mr Mancini: Don, that makes too much sense.

Mr Cousens: Oh, it does. The member is absolutely right. Are we ever starting to agree. I cannot stand this. He and I have not agreed on anything before.

It makes too much sense. Instead of having \$30 million spent on day care, the government should set out a—

Mr Wiseman: You don’t know what they are doing in Ottawa.

Mr Tilson: They are starting to get annoyed with you.

Mr Cousens: Oh, those guys do not know what they are doing. They do not understand the damage they are doing. I have a day care operator in my area who is having to sell her property because she can no longer—

Interjections.

The Deputy Speaker: Order.

Mr Cousens: Yes, I will tell you if you can explain to me why this government had to take \$30 million out of its budget and out of the \$30 million it is going to collect through the gas tax—let's just assume that is where it is taking the money—and apply it to day care.

If I saw more day care places being created it would be an interesting story, but do members know something? There is not one new day care place being created with the \$30 million. What they are doing as a socialist government is saying, "We don't want people to make a profit on day care." That is a philosophical argument, but they are taking that philosophical argument right to the nth degree and saying, "We'll eliminate from the whole sector of day care anyone who is making a profit." They are going to try to buy out any profit-making day care centres, buy their assets, or put their people on to a public payroll of some kind.

That is \$30 million we did not need to spend this year, \$30 million that did not have to go into a project which will amount to \$75 million over the next five years. Is that a good reason to raise our gas taxes in Bill 86? It is not at all. They cannot give me any reason whatsoever that justifies that kind of expenditure of government money when it gives no net increase in value.

1800

We need more day care places in my riding. We need them across the province. I have a young mother right now who has a child that was born last April and is just a very frail, tragically sick child. The mother, who wants to go back to work at the Markham Stouffville Hospital in January, cannot do so. She is prepared to pay her share for day care but the child would require a nurse and there just is not any money around to help support her for that. There is a need all over the place.

Interjection.

Mr Cousens: No, there is not. I have a letter to the Minister of Community and Social Services on that. She has not answered it. I wrote her over a month ago and as usual this government—

Mr Hope: Check your community office. What do you think we have community offices for?

Mr Cousens: I have to tell the member for Chatham-Kent that this government does not answer its mail. They do not answer the phone and they are not answering the issues. In talking about day care I am saying it is wrong for this government to take \$30 million, as they are now, out

of the coffers that are coming in from this tax on gasoline and applying to a function which has no positions at all for extra children.

I see no sense in it. I see no sense whatsoever that a government could come along and take our money and spend it as badly as this government is on day care. That is one thing the people of Ontario, who voted for them on September 6, 1990, are going to see, and the next thing they are going to see is when they do it to seniors.

Is it their agenda as well to eliminate profitable operations for senior services that are already providing a need for seniors? Will it be their agenda, before they are finished their term of office, to eliminate Extendicare, Diversicare and other very high quality private companies that are providing a service for seniors in our province and cause them to go out of business so they can have their philosophy that says no one should make a profit when providing services to people?

I happen to believe you can make a profit when serving people if you have a series of regulations and standards that require whoever is delivering that service to make sure they are doing it within appropriate guidelines. If those guidelines are the same for the profit-making and the non-profit, whether it be for day care or for senior services, as long as you have the same rules for both then you are in a position to say you have a level playing field.

Not so with the New Democrats. Their socialist policy says they will get rid of the private day care, although it was there first and has been providing a service for a long time. They are being forced out of business. The lady I am talking about in Markham is being forced to put up her property for sale right now in a depressed market, so she will not get the money out of her investment that she should or would have otherwise. It is a fire sale situation that is being forced. It is happening in Richmond Hill, it is happening in Markham, it is happening in every community around Ontario where there is a profit-making day care centre.

For this government to come along and increase our taxes so it can spend the money on eliminating private day care is wrong, categorically, unequivocally wrong. If they think I am going to vote for a policy that is going to allow that, they are again wrong.

Interjection.

Mr Cousens: I know. I have got more to say and everybody is giving me the wave.

Mr Tilson: No, go on. You're doing great, Don. Tell them what it's all about.

Mr Cousens: I was concerned. You cannot always read the signals.

[Report continues in volume B]

LEGISLATIVE ASSEMBLY OF ONTARIO
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Sergeant at Arms/Sergent d'armes: Thomas Stelling

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- Beer, Charles (York North/-Nord L)
- Bisson, Gilles (Cochrane South/-Sud ND) parliamentary
assistant to Minister of Northern Development and Mines;
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Minister of Community and Social Services, minister
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- Caplan, Elinor (Oriole L) Chair, standing committee on social
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sociales
- Carr, Gary (Oakville South/-Sud PC)
- Carter, Jenny (Peterborough ND) parliamentary assistant to
Minister of Citizenship, responsible for human rights,
disability issues, seniors' issues and race relations
/Adjointe parlementaire de la ministre des Affaires
civiques, déléguée aux Droits de la personne, aux Affaires
des personnes handicapées, aux Affaires des personnes
âgées et aux Relations interraciales
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- Chiarelli, Robert (Ottawa West/-Ouest L)
- Christopherson, David (Hamilton Centre/-Centre ND)
parliamentary assistant to Treasurer of Ontario and
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of Municipal Affairs, government House leader/
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- Drainville, Dennis (Victoria-Haliburton ND) parliamentary
assistant to Minister of Municipal Affairs; Chair, select
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98B 1991

ISSN 1180-2987

Legislative Assembly of Ontario

First Session, 35th Parliament

Assemblée législative de l'Ontario

Première session, 35^e législature

Official Report of Debates (Hansard)

Thursday 12 December 1991

Journal des débats (Hansard)

Le jeudi 12 décembre 1991



Speaker
Honourable David Warner

Clerk
Claude L. DesRosiers

Président
L'honorable David Warner

Greffier
Claude L. DesRosiers



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Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au (416) 325-7400.

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LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday 12 December 1991

[Report continued from volume A]

1805

GASOLINE TAX AMENDMENT ACT, 1991

LOI DE 1991 MODIFIANT LA LOI DE LA TAXE SUR L'ESSENCE

Continuing the debate on the motion for second reading of Bill 86, An Act to amend the Gasoline Tax Act / Projet de loi 86, Loi portant modification de la Loi de la taxe sur l'essence.

Mr Cousens: Mr Speaker, I want to have some fun here for a moment, at your expense, as long as it deals with Bill 86.

Mr Tilson: How much does that magazine cost?

Mr Cousens: I get it free. It is Maclean's magazine. They happen to send a complimentary copy to each member of the Legislature. I do not think I have ever thanked them publicly for it before, but I enjoy reading it.

I could apply all the major headings in the December 16 article to this sales tax. I could have a story under every one of the headings—this is terrible, is it not?—that is in this publication on the sales tax.

The first article is entitled "Christmas Shopping at the Beer Store." With the gasoline tax there will not be much Christmas shopping at the beer store, because the fact of the matter is people will not have the money; they are going to be putting it into the gas can.

"Judgement Day" is another of the titles. I would love to have a story. We could write a whole series of stories about Judgement Day and the New Democratic government's lack of restraint, their high taxes, their irresponsible spending. That would be the subject of a very good story that we could have a lot of fun with. That is the second subject.

Let me read the next major heading I saw on this.

Interjection.

Mr Cousens: No. I do not want to miss.

"A House of Cards" is the next article. I can think of a wonderful story on Bill 86 and the New Democrats as a government of cards. It is funny, before the Minister of Northern Development got into trouble, she called us clowns one day. I would say the kind of thing we have seen with that minister really talks about a house of cards, a house that is falling apart because the integrity inside this government is non-existent.

It is there we have a tremendous sense of anguish on this side of the House when one cabinet minister can come out at a public function and slander a doctor. Whatever she says to excuse herself, it is inexcusable that the Premier has not removed her from office or that she has not resigned. The only way this house of cards can continue to stand and Bill 86 can continue to be an example of a responsible government is if it had integrity with what it is doing, and integrity means credibility.

Mr Tilson: On a point of order, Mr Speaker: I do not see a quorum.

The Deputy Speaker ordered the bells rung.

1807

The Deputy Speaker: A quorum is present. The member for Markham.

Mr Cousens: What we are talking about is the sleaze of government. We see in this article the house of cards, and I just use it as an example where we are talking about the integrity of government. They would not need to have a tax increase. They would not need to have Bill 86. I am pushing it, but anyway I will just skip by that one. It would be fun article. We could do an article on Bill 86 just on the house of cards.

I will just deal with a few other ones. "A Grim Chapter Closes" is another title they had. That was really dealing with the Middle East, but it was a grim chapter that opened for Ontario on September 6, 1990. I would love it if the chapter could close and the New Democrats all resigned. We could have a fresh election and get rid of this government, get rid of Bill 86, get rid of all the taxes, get rid of the spending, get rid of all the things they are doing wrong and start fresh. Then we might have a chance to do something.

Another title is "A Courtroom Spectacular." I could see a whole article there where we take the Minister of Northern Development to court and this government to court for its irresponsible behaviour.

I just have a few more. "Exit a High Flyer" is another one of the lead articles. How can we do an article on Bill 86 on that one? I am not just sure, but I would like to see a few exits around here.

The last one I will mention is "Sweet Success." We could do a great story on the sweet success they had when they won the election and how bittersweet it is today, how bittersweet it is for the people of Ontario who had confidence in the New Democrats to do something right. They had a government that had a social conscience and a government that said it was going to be open, a government that said it was going to be really careful in what it did.

What we are seeing is the opposite to that. We are not seeing the things that lead to fiscal responsibility.

Mr Dadamo: You left us a mess.

Mr Cousens: They left you a mess.

Mr Dadamo: You left us a mess too.

Mr Cousens: Who left you a mess? You are talking about the Liberals that you helped support to get in.

The Deputy Speaker: Order. There is a period of questions and comments afterwards. I would suggest again to the member for Markham that he address the Chair.

Interjection.

Mr Cousens: My honourable friends, there is still some spirit of frivolity among the New Democrats even although I have tried to whip them into understanding that

there is a grave problem that the taxpayers of Ontario have. That problem is, we do not want any more taxes. How else does one say it? I should have said it in one or two minutes, then I could have had my speech over.

Ms S. Murdock: You could never say it in one or two minutes.

Mr Cousens: I know I could not say it in one or two minutes, but I would like to be able to try it. Maybe, as I move to my wrapup in the next two hours, after I have completed my speech by 11 o'clock, the member will understand what I am really trying to say. Mr Speaker, you might have to call a quorum if they all leave, if they think I am staying on here. I have never asked for a quorum call because I happen to know my mother is watching at home, so I have at least one in the audience.

Interjections.

The Deputy Speaker: Order.

Mr Cousens: I would like to reiterate the point that we do not want a tax increase. Ontario is already too heavily taxed. It ceases to make Ontario an attractive place to live, work and invest in and to be part of. We are in a position to do something to restrict government spending, to reduce government spending and stop making it such a punishment to live here.

Many of us have our homes, our families and our investments here. We are not going to move away to the States. I hear people saying, "I'm going to move south, I'm going to elsewhere." Some of them do. I hope most people do not. I happen to believe in a model that tough times do not last; tough people do. We are into a tough time with the New Democrats running the government. If we can withstand them for three or four more years, or if it turns out they do not have a full turnout for a vote one day and we can kick them out of office, that will be a happy day and that will be another day where there would be a celebration. I do not think it is going to happen, though. They have such a good whip who gets everybody out there.

The issue is that the people in the province have no way of reacting to the New Democrats at the present time. One can allow a member of the opposition to stand up and speak for a short time on the issues of high taxes, government spending, government irresponsibility, nepotism, where the government is giving jobs to members of its families, government issues, where the government is removing for-profit day care centres in the province, irresponsibly spending \$30 million. We can point to examples where the government and the Ministry of the Environment have made policy decisions that are going to cost us because it is going to be far more for tippage within the greater Toronto area than if we were to ship to Kirkland Lake, to the Adams mine site, if we were able to look at incineration as a possibility.

Government has set up a number of standards around itself that it will not allow to be explored, considered or investigated through an environmental assessment. They have set themselves up as the power brokers. They are really only technopeasants who do not have the technical knowledge to be able to make the decisions on these things. So we are stuck with them for three and a half or

four more years. They will go right to the end. What can we do in opposition? We cannot stop them as a government from doing it, but hopefully some of them will have sense to vote against this tax bill.

This tax bill is a heinous example of government control and monopoly. The reason for our high cost of living, in part, is the high amount we have to pay for gas and gasoline. As of January 1, we will be paying the highest taxes in the province of Ontario on gasoline. I for one will not support this tax bill because it is just another example that sets Ontario apart from every other jurisdiction as being a high-cost place to live.

I was trying to make a point earlier that some people are moving south of the border because they are giving up on Ontario. I hope most people do not. I hope they are able to somehow believe in the future. I believe the options for the future are being well weighed out by our leader, the member for Nipissing, and the PC caucus. The member for Nipissing, especially, has a sense of understanding in a balanced way what is needed to get this government going. He would freeze government spending. He would put a limit on increases to employees' salaries of the government's civil service at 2%. A message would be sent out to all the municipalities and bureaucracies of this province that says, "If you overspend and build a deficit, we're not going to bail you out."

We in the province of Ontario are not going to continue to allow the high-spending expectations. We want to let the people of our province understand at last that there is a government in charge that says: "No, we don't have any more money. We are not going to increase the deficit. In fact, our project over the next several years, instead of allowing the deficit to increase to \$70 billion, the largest ever in the history, we are going to fight to bring the deficit down so we've got our house in order instead of it being a house of cards, instead of it being a sweet failure. This is going to be a government that's run fiscally responsibly."

What we really want to start looking at is when Tax Freedom Day is. Tax Freedom Day for the province of Ontario is a statistic generated by the Fraser Institute; that it is a policy think tank that calculates what day in the year we stop paying taxes and start making money for ourselves. Do members know when that day is right now? Tax Freedom Day, when you have paid all the Ontario government taxes, federal government taxes and municipal taxes, used to be in July. Now it amounts to August 2, well into the eighth month of the year, before we stop paying taxes.

We have a problem. If we continue with this bill, which increases the taxes effective January 1, 1992, with an extra increase to our gas tax, it is a further example of our Tax Freedom Day being pushed further into the future.

I sense there are a number of other people who want to discuss issues on this bill, but there are a few issues I would like to touch on before concluding. Half of all the pollution caused by automobiles comes from 10% of the cars. Those people who have old cars are not going to spend the money on tuneups and improving those cars to reduce the emissions that are noxious and causing problems, because they are not going to have the money left over after they have paid the extra money for gas tax. I suggest,

if this wanted to be an environmental government, it would have some incentives out there to help cars stay tuned better. Part of the lie of this government was that it said, "This is an environmental bill." There is nothing environmentally sensitive or sound in a bill that is increasing the costs of gasoline to consumers in Ontario.

The second thing I want to touch on in this bill is that if anything is encouraging cross-border shopping it is the fact that our gas taxes in Ontario are three times what they are in New York state. No wonder we are seeing people cross the border and buy their booze, groceries, clothes and other necessities—not that booze is a necessity, but there are other things they want to buy because they are cheaper in the States.

There are a number of other things I can say, but I have had a chance to put on the record a few of my concerns about Bill 86. It is not needed right now. What we need to do is make it more of a prosperous province. It needs to be a province where we allow people to want to invest, to grow, to travel, to live. When the government starts increasing the taxes to such a level, people will not even be able to go out in their cars. They cannot afford to drive them any more because it is becoming so expensive. I would say to the government, please, for the love of the people of Ontario and for the sense that there is still a chance for people to enjoy some of their spare time, reconsider Bill 86 and set it aside so that we not have an increase in gas taxes again in the province of Ontario. It just makes us less competitive for the long term.

Mr Hayes: I would like to make a couple of short responses to the member's remarks. People, when they are shopping across the border—not only the people in the province of Ontario, but people in every province that has an American border—are shopping across the border into the States because it is the high Canadian dollar and the interest rates, even though they have come down slightly, as well as the GST and free trade that have caused these things to happen.

It is the same thing with these corporations that have closed. It is the economic policies of their senior friends Mr Mulroney and Mr Wilson in Ottawa that are doing these things. I have talked to business people who have closed and moved to the States where their mother company is. Those are the reasons, the inflated Canadian dollar, the interest rates: free trade and the GST on top of that.

Some of the comments made by people from across the floor have done more harm to the economy in this country and scared more people off than any deficit we could ever have. They are scaremongering. The members opposite talk about the integrity of their leader. They mention the leader of the Conservative Party. I think it is really a shame that the leader of that third party was down in Chatham a few weeks back and he publicly stated that we have people and families on social assistance who are making \$17.50 an hour. I think that is very irresponsible. That would not be a lie, but I do not think he should have made that statement. This is trying to scare people off. They are doing more harm than anything with their comments.

1820

Mr Ruprecht: The honourable member for Markham raised a number of issues that are absolutely valid. What surprised me in a way was when he indicated that the price of gas in New York is three times higher than in Ontario. I thought it was two and a half times higher. He says it is three times higher. The surprise to me was that he discussed this matter in a very calm way. As I remember him, he would say even to the members on this side, "If you've got something valid to say, shout it from the rooftops."

In this case he has much to say that is totally valid. He raises the issue of competitiveness, an absolutely valid issue again. What is the NDP government doing about competitiveness? How are we going to be competing with the United States when the gas prices are going up? What about the tourist business? Obviously tourism is down as well. It is another nail in the coffin of the Ontario economy. I guess that is the main point of the honourable member.

This is the government that is going to increase taxes. This is the government that is going to look specifically at not the creation of jobs and the creation of wealth but the distribution of wealth. What the government ought to be looking at, and I put it to the members, is trying to ensure that this economy of Ontario becomes really competitive. Simply, it cannot become competitive under these kinds of conditions when we are raising the gas price to this unconscionable height.

Mr Hansen: I would love to vote against this bill but I cannot because of the former governments that put us in the position we are in right now. I have to talk about my friend the member for Markham. He was talking about the OWMC. He is a gentleman whose government straddled us with the OWMC on which we have spent \$110 million to date. Taxpayers in the region have spent over \$1 million to fight the OWMC. This is something that was introduced by former governments and we are expected to pay for it. Where is the money to come from? It is taxation.

I am not too happy to have to vote for it, but I am going to vote for it. It is not the whip who is telling me to vote for it. It is not the party that is telling me to vote for it. I have to vote for it to see that we have our programs in place.

The one thing I have to say is that since our government took over, the Minister of Energy has taken a look at the crown corporation so that it does not spend like drunken sailors, or like the OWMC. We are bringing the crown corporations under control. There is not going to be taxpayers' money wasted.

After the Provincial Auditor's report, the Minister of the Environment spoke to the OWMC's Donald Chant and told him that incidents of spending abuse outlined in the auditor's report are unacceptable. The Environment minister also pointed out that even if the Environmental Assessment Board approves the OWMC plan, it does not give the crown corporation automatic approval to commence construction. "Once the board makes a decision," she said, "cabinet will make the final decision on whether or not to proceed with this facility."

I have to say again, what we are standing up here and having to put in as new tax bills are actually coming from

former governments that have not paid their bills. They used the credit card all these years. Instead of paying for it up front, they used their credit card.

Mr Johnson: I listened as carefully as I could to the member for Markham as he spoke. I have to say quite frankly, I was very disappointed because in my opinion the member for Markham was scaremongering to the people of Ontario. He does not look like a monger to me, but certainly he was scaremongering. His arguments were not balanced. He took some viewpoints that were not complete.

I would like to ask the member whether he has considered writing to his friends in Ottawa and suggesting to them that they not download on the province of Ontario. The federal government has withdrawn \$3.6 billion in CAP payments that we in Ontario expected. These payments were to go for many of the programs that the province now is going to have to fund by itself. Somewhere we have to get the money to fund these. We are being very careful, in my opinion, and we are raising taxes marginally to try to cover the expenses of the province at this time.

There are many needs in the province right now. This is the worst recession we have had in 60 years. It is a very bad recession. The people of Ontario do not want to see their services cut. I ask the member opposite whether he wants to see, for example, 10,000 Ontario government employees laid off in order to meet the amount of money that would be raised by levying this tax on gasoline. Is that what he wants? Where does he want the cuts made? It is a very difficult time, and at this time we are trying to do the very best we can to make sure no one suffers during this very bad recession in Ontario.

Mr Cousens: People are going to suffer after we are rid of those guys. There are an awful lot of problems with the way they have been spending money.

I thank the member for Prince Edward-Lennox-South Hastings for his comments. I would say that all the other provinces have had to deal with the cutbacks from federal government spending, and the Ontario government is the only government that has increased the deficit by as large an amount as this one has, and it is the only government that has not cut back on its spending. I say that with disappointment.

I say to the member for Lincoln, why not get off the separation of adversarial politics that we are in and revisit the Ontario Waste Management Corp to see whether it justifies itself? If it does, let it continue. But let us ask right now, is it a mistake based on what is happening today? Fish or cut bait. Is it a time to continue? Is it a time to stop? I would be prepared to say that if that is the case, stop it and let it go to private sector industry rather than continue to spend another \$300 million and then find out we did the wrong thing. Now is the time to revisit it. If the Tories who started it were wrong then, everyone has been wrong in between if they did not stop and ask, "Is this still valid?"

I cannot believe the member for Parkdale was complimentary. I appreciate what he had to say. To me, the point is you can only scream so much and then your voice gives out. I really would have liked to have screamed on some of those points louder, one being that the tax in New York state is three times less than in Ontario. We will pay 23.2 cents a

litre as of January 1 and they pay seven cents a litre. The cost of gasoline in the States is one of the reasons leading to far more cross-border shopping than ever before.

Finally, I say to the member for Essex-Kent that I cannot believe we had lunch together today and had such a pleasant time. That just shows that in this Legislature we can still have a good time outside of the House and yet come in here and treat each other as we have to. I have to say I think he missed the point and maybe we need to have another lunch.

1830

Mr Callahan: I rise to speak to Bill 86. One wonders why at 6:30 on a Thursday evening anybody would stay around to deal with a tax that would be indicated as being 1.7 cents per litre at the time of the budget, which was back in April, and another shot in the arm on of 1.7 cents January 1. What is that? That is peanuts in the life of the government and the spending that goes on in the province of Ontario and in the government of Canada.

I think to myself, why am I standing here on a Thursday night when I could be home with my family worrying about this picayune tax? What is that, a total of about 3.5 cents? Why should I worry about that? Why should I be here on a Thursday night even debating it? Why should this government or the opposition concern themselves about it? I am sure that will be the comments and the questioning of me afterwards.

They will say: "When your government was in power, you brought in taxes for gasoline and diesel fuel and tobacco and liquor and so on, the so-called easy hit taxes because you are hitting the little guy and gal who really do not have a lot of crunch. They do not have a lot of say. They do not know the system and how to work the system. Those are the people you hit." There is no question about it. It was done by the Tories and by the Liberals.

The fact of the matter is that we are now talking about a very special time in the history of this province. When I drove up University Avenue and saw five or six people sleeping on the street, when we see the numbers of the homeless in this city, when we see the numbers of people who have to go to food banks as a way to feed themselves and their young children—that is why I am here at 6:30 on a Thursday night arguing what I started out by saying is really peanuts, absolute peanuts.

There is no reason for anybody in this House to get excited; it is peanuts. Three and a half cents per litre? So what? What is it? It is not a lot of money. When members look at the budgets around here, the limos probably use that much going to and from various events of the ministers of the government. They probably spend that much money buying computer equipment, as my friend the member for Markham said, that sits in the Premier's office unused.

I do not want to enter into a totally partisan discussion in this regard. I would like to bring it to a higher level. The question is, why are we here on a Thursday evening? I will try to answer that for those people who are watching our proceedings—and I can hear the sets clicking off all over the province; they are not clicking off because of lack of

interest but because somebody has probably just repossessed their television set.

One message that has to get through to the government of Ontario, whatever stripe that government is—and it happens to be a New Democratic government at the moment—that has to get through to Ottawa and the federal Conservative government, and to all those other stripes throughout this fine land of ours, is that things are not the way they were before. Politicians have to argue for that 3.5-cent increase in the tax of gasoline, because that 3.5-cent tax on gasoline can be the straw that breaks the camel's back for the average Ontarian who relies on his or her car, which is not one of the luxuries; at one time it was a luxury. At one time it was a luxury to have a television set; today it is a necessity. If you want to find out what is going on around the world and around the province and country, you have to have a television set. If you want to get to your job in my community you can take the transit, but unfortunately the transit does not yet give you ready access to Toronto, as I am sure is the case—

Hon Mr Ferguson: You had five years to solve that, Bob.

Mr Callahan: There is my good friend the Minister of Energy. He should put an apple on his head and let somebody shoot at it.

The thing I do not understand and the message I am trying to get through is this: A debate like this would not be necessary in good times, but it is necessary now because the people who I think every member of this Legislature who is worth his or her oats cares about are the people who are required to use their cars not for luxury but to get from point A to point B, to perhaps take someone from the riding of Brampton on a voluntary basis to Princess Margaret Hospital for cancer treatment, for various charitable groups and volunteer groups that use their cars, the St Elizabeth Visiting Nurses, the Victorian Order of Nurses, all these good people who do all these fantastic things, many of them for free, for Ontario.

What do we do for them in a time of tough economics? We say to them, "Hey, we're going to hit you." The thing I find really scary—and it is not a condemnation just of the NDP government; I find it really interesting—is that when tax measures are brought in, they bring them in in two hits. They have not enough guts to say it is going to be 3.4 cents per litre more now: "It is 1.7 cents per litre now, and when you've forgotten about that we're going to hit you again on New Year's Day when you probably won't really be that greatly cognizant. You'll still be throwing away the wrappings from Christmas. You'll still be in the Christmas spirit and you won't understand the government has just put its hand in your pocket again for another 1.7 cents per litre."

It does not sound like a lot of money, but I think people out there are watching politicians. They are watching the tax situation. My friend suggested that Tax Freedom Day has gotten to be August. We keep on doing this. It will soon become a situation where you will work all year and you will be in fact employed by the provincial government or the federal government, because all of your income will go to government and you will get nothing. So in fact we

will all be working for the government. How is that? How does that sound? Does that strike members as a good idea?

Maybe what we will do is give all those people who are working for the government, because they will be paying taxes right up to December 31 of that year, pensions like everybody else has. I mean, it is only fair that they should get pensions like we all have and like all of the civil service has, because in fact they are going to be part of the government. Your taxes will just continue to spiral till they are paying right up to December 31.

You wonder why people are leaving this province. They are leaving this province for a whole host of reasons. I know, Mr Speaker, that I have to keep this in tune with the tax that we are debating, but there is a kind of interesting a report that was prepared for the Ministry of Industry, Trade and Technology in April, just after the budget. It was a survey of 800 people living in seven border communities: Sault Ste Marie, Thunder Bay, Sarnia, Windsor, the Niagara Peninsula, Kingston and Cornwall. One third of those people shopped in the United States in April. Members might say, "Maybe April was a time of blossoms and flowers and they wanted to go over and see Buffalo." I will bet members, if they took this survey, would find the same amount in May, June, July, August, September, October, November, December. We are sending them there.

Mr Hayes: And you would find the same number the year before.

Mr Callahan: No, this is the current year. Trust me.

The one third of cross-border shoppers made an average of three trips in April—not one trip but three trips.

The Deputy Speaker: Please address the Chair.

Mr Callahan: Sorry, Mr Speaker.

They went across every time their gas tank became empty. It is clear. I mean, how many times do you fill your gas tank in a month? Maybe three or four times, maybe more if you are a business person or whatever. But three tanks is about what the average person uses in a month. So what that tells me is that these people, when they want to fill their tank, go across to the United States.

The average amount spent per trip was \$86. When they go over there they do not just buy gas; they buy other things. Surely they did not pay \$86 for gas, so it means while they were there filling up at the Texaco or the whatever pump at the much lower rate, they were buying things; they were buying commodities. Commodities, believe it or not, whether members understand it or not, means jobs. I think they understand; they are intelligent people.

So \$86 was being spent; part of that is gas. For those people who took three trips in April and take three trips every month, that is about \$260-odd going out of this province every month. That is something like \$2,500 a year for each Ontarian in a border town going out of this province, some of it for gas, granted.

1840

I suppose we will not put too many people out of business by allowing them to go to the border cities of the United States to buy gas. I mean, these days most oil companies get somebody to sit in a booth and you serve yourself. That was a great gimmick on the part of the oil companies.

They maximize their profits by putting one person in there and having you pump your own gas and charge you exactly the same price, if not more. It is the greatest scam in the speculation of real estate that ever existed. They buy all these lots up, they put a guy in the booth to sell gas to you, and eventually they will sell that property for megabucks.

Enough with the oil companies. I have great concern about that. I think that is a real problem.

In any event, let us get back to what the government is doing to these people: \$86 per trip, \$2,500 per Ontarian in cross-border shopping in these border towns.

Lost tax revenues, federal and provincial: How much do members think we lost? A total of \$141 million. Do they know how many jobs we lost? Fourteen thousand jobs. That makes it important to me as I read through this, as I started out by saying: Why am I here on a Thursday night at 20 minutes to 7—

Mr Hope: House duty.

Mr Callahan: No, I am not on House duty. Why am I here at 20 minutes to 7 on a Thursday night—

Interjections.

The Deputy Speaker: Order. Order.

Mr Callahan: I realize the government thinks this is funny because 3.5 cents per litre is not an awful lot to charge the people of Ontario, but if the members listened to the rest of the facts and could follow the argument they would discover that the federal and provincial governments, as a result of these people going across the border, lost \$141 million. More important than the lost revenue—the revenue is important—are the 14,000 people who are out of work. I find it passing strange that members of the New Democratic Party who are now the government, who are always for the little guy, can sit over there and yatter and yatter and laugh and make jokes when these jobs are being lost. That makes me feel very badly.

Is it the fact that once they get into power they throw away all their belief in the people and all the things they espouse, and they then become powerful so they can laugh at the loss of jobs?

The 3.5 cents or so of tax revenue tonight, if it was being debated back in a time when the economy was good, when we were not plagued by this cross-border shopping problem, might very well be something that would just pass through this House like the wind if you open the window. But I suggest to members that every tax bill that goes through this House, if we are carrying out our job in a responsible fashion, has to be scrutinized under a microscope, because we do not have the luxury any more of being able to just say, "Well, that's 3.5 cents; they'll never know about it. Won't miss it; no problem."

The facts I have read to members tell this government that in fact people are reacting to it. They are not coming down here and marching on Queen's Park to literally get even with us by telling us how mad they are; they are just taking a trip across the bridge in the border towns and they are solving their problem by buying American. Is that not marvellous? We are worried about our country being broken up because of the constitutional crisis we face, yet how much interest do we have that we are breaking up our

province and our country by the fact that we do not give sufficient individual consideration by each and every member of this Legislature to the increases in tax?

I would like the members to go home to their ridings on the weekend and ask a constituent who is perhaps on the borderline of going broke, the borderline of just being able to provide food for his children, the borderline of a business that is going to go under, what an additional 3.5 cents per litre will mean in terms of him being able to survive. Put it in human terms. Put a human face on it. I think if members go home and do that they will understand that the vote on this tax bill is something they do not do just as a barking seal simply because their whip tells them: "It's good for the government; we've got to pass it; big stuff. This is something you do or you lose your job," like one of the chairmen of committee did.

This is a matter of conscience, believe it or not. I urge members to think about it as a matter of conscience.

Some members are leaving. Maybe they are going in the back room to save their conscience. This really is a matter of conscience.

Let me give members some further statistics: 80% of cross-border shoppers—

Mr Arnott: On a point of order, Mr Speaker: I am going to be speaking after my good friend and I am very concerned that there does not appear to be a quorum present in the chamber.

The Speaker ordered the bells rung.

1846

Mr Callahan: I want to zero this down to specific areas. I do not like to say this because it is a Thursday night and I know a lot of members go to ridings that are a significant distance away, but I find it really interesting that the government, which has the responsibility to keep a quorum in this House, cannot keep a quorum in the House at a time when we are debating a tax bill. Do they consider it that insignificant that they can simply not be here?

Interjections.

Mr Callahan: My friend out there says, "Maybe some people are having supper." As a result of this tax the government is going to pass, it may well be that some people will not be able to have supper. They will not be able to afford it.

Mr Fletcher: Get off the wagon.

Mr Callahan: "Get off the wagon," the NDP member says. Is that the way the member considers his fellow human being?

The Speaker: To the member for Brampton South, perhaps if the member would be kind enough to direct his remarks to the Speaker. I was listening very carefully to every syllable.

Mr Callahan: I was provoked by that insensitive comment.

Just going to specifics, trying to bring it down to close to home—is the member for Sarnia here? If he is here, I want to tell him a few things. Sarnia has the second-highest incidence of cross-border shopping of seven border communities, with 47% of the population going to the United

States in April. Guess what they were going there for? In interviews, respondents were asked about the kinds of merchandise they purchased during their shopping trip to the US. A total of 20 product categories were probed by the interviewers, asking, "On an average trip in April, would you buy...?" Almost everyone, 81%, reported buying gasoline as a standard purchase during their US shopping trips.

When you think about it in terms of immigration rules, this is one area where Canadians have been able to escape claiming their purchases—because there is not a customs officer who is going to stick his nose or head into the gasoline tank—and possibly paying duty. It is unlikely. There is no way to prove where the gasoline came from.

If the government is going to tax anything, tax something that does not drive people across the border, with the result that they not only buy gasoline but, as I have explained before, they spend \$86. I cannot believe that is all gasoline. I would figure that if you filled up at a pump in Ontario it would be about \$30, so in the United States it would probably cost you maybe US\$15 or US\$20 maximum. That means \$46 is being spent on something else. They are travelling, according to the statistics I have got, three trips a month. That is an awful lot of lost revenue in terms of merchants in border towns, in terms of keeping Ontario safe and competitive.

It does not take a rocket scientist to realize that we have young people who have university degrees and cannot get jobs in this province. We have jobs fleeing this province like there is a pox. There has to be an answer for that: cheap land in Buffalo, yes; competitive housing in Buffalo, much lower than ours, yes. But what are we doing? We are giving them that first trip or those first three trips across there to see all these goodies by having our gasoline taxed at the rate we tax it. We are really destroying our province and the future of our children.

Just to go back to Sarnia again: In Sarnia, as a result of cross-border shopping—I think and I have already established through the report I just gave members that most people go there to buy gasoline, 81%—if the people in Sarnia are listening, I want them to know they are losing a total of \$148 million in lost local sales. These are not my statistics. They are from the Minister of Industry, Trade and Technology. This is their government telling them what they are losing. The government itself is losing almost \$21 million in lost revenue just for Sarnia because these people are tripping over to Detroit and whatever.

Annual jobs lost, I am sure, has to get to the government because the government has always said it is in support of the worker. It wants to make certain people have good-paying jobs. I think that is very admirable. But let me tell members that this survey shows annual lost jobs due to cross-border shopping in just Sarnia totalled 2,072.

If the member for Sarnia is here, is he or she going to go back to Sarnia and say: "I've got good news for you. The good news for you is that because our government with its major majority passed this tax on gasoline, you are going to lose \$148 million in sales." I would say that if the member for Sarnia went back to his or her riding and said that, he or she would deserve to be tarred and feathered and ridden out of the city on a rail.

They should just watch. We are going to be watching too when the member for Sarnia—I hope he or she is in the government, not in the opposition—votes for this tax measure. I think what we will do is we will send a copy of my speech and the statistics along with his or her vote to the constituents in Sarnia so they can see just how that government member concerned himself or herself about the loss of \$148 million in local sales and can show that the government was really neat because it gave away \$21 million in tax revenue. Then they can try to defend why they cannot provide decent day care, cannot get rid of the food bank problem and cannot get rid of portables at schools. The reason they cannot is because they are throwing this revenue away.

Mr Sutherland: Gee, in five years those problems grew.

Mr Callahan: No, I would not blame everything on any one government.

Mr Sutherland: I am not.

Mr Callahan: He says five years, but the member is missing the point. Maybe we should take a break for dinner so they can replenish their grey matter. The point is that taxes are never acceptable, but we have a remarkable situation now. We have a bad economy, an outrageous economy, a depression economy. Linked with that we have the cross-border shopping problem that affects Sault Ste Marie, Thunder Bay, Sarnia, Windsor, the Niagara Peninsula, Kingston and Cornwall.

All those members are in trouble if they vote for this measure, because we are going to send a copy of the facts I have given in this speech to their ridings just to make their people aware of the fact of what they have done and the fact that they have not represented them as they have a sacred trust to do but have simply followed the government line to vote for this tax measure because they think it is the thing to do. If they do not do it, they lose their parliamentary assistant's job or their Chairman's job or they will not have a chance to get into cabinet. They will love them for this. They will say: "Why did I elect a member in Sault Ste Marie," or Sarnia or Windsor? "Why did I elect a member of the government? What was the point? They did nothing for me."

Mr Martin: Fifty-five million dollars.

Mr Callahan: The member for Sault Ste Marie is saying they got \$55 million in that community. Is that a buyoff by the government? That is a buyoff by the government. They dropped that money in there because he is a government member. I will get back to it, Mr Speaker.

Let's go back to the taxation here. I want to tell members that Sarnia is at the top of the list in terms of cross-border shopping, so it must be the tax on the gasoline. Some 84% of cross-border trips in Sarnia involve purchases of gasoline. An average trip spends \$47. Now, let's figure the gasoline in Detroit. I guess it is Detroit they would go to. It costs them \$20. That means \$27 of that money was spent on goods that would have been purchased in Sarnia to support local business. One can say this is Mr Mulroney's problem for free trade, for the GST. I am sure every straw we put on the camel's back makes it

weaker and weaker, but this is the one that is going to hurt it or maybe break it. It is going to break it.

I begin to wonder, why would one be here at five minutes to 7 on a Thursday evening when the government members opposite do not even pay any attention? They are over there chatting away and have a grand old time. Why do they not go home and I will talk to myself or to the people of Ontario? I really find it very interesting that this government, which purports to be in favour of the working person, has such insensitivity that they would applaud and laugh about the fact that this is not important. That is what I get from them.

I would have to say that if I were a person in Sault Ste Marie, Thunder Bay, Sarnia, Windsor, the Niagara Peninsula or Kingston, and I had given a sacred trust to a member from there and discovered the government was that insensitive, I would say to myself, "Have fun, because this is your last trip to the Legislature." They will say that when they look at the vote on this bill and they see that the government of the day, that government that cares about people and purports to want to do things for people, has voted because it said: "It's only 3.5 cents or so per litre for gasoline. Who's going to see it? What does it matter? The other governments have created the same thing by bringing in these taxes."

I think you can only fool some of the people some of the time, but not all of the people all of the time. I think of the people watching this telecast, the people who are affected by it. They do not have to be in those border towns. They could simply be people of Ontario who have said: "Maybe I live in Brampton," or, "I live in Toronto. My son or daughter cannot get a job," or, "My husband can't get a job," or, "My wife can't get a job," or, "We both have to go out and work because of these taxes that are put on us. Here is the New Democratic government thinking it is totally inconsequential to put an additional 3.5 cents per litre on my car, because it thinks my car is a luxury. They think every rich person has a car."

I have news for the government. To most people, a car is a necessity to get from point A to point B. It is a necessity to get to work. It is a necessity to take a child to day care. It is a necessity to take a child to school. It is a necessity to take a senior for health care. It is a necessity to volunteer to take cancer patients to the local cancer hospital. It is a necessity to take the kids to hockey and all these sports. What is the government doing? The government is saying 3.5 cents per litre is peanuts.

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I want to go to one other. The Ministry of Industry, Trade and Technology did a consultation, also in April, of 400 people in London, Ottawa and Hamilton. Things are getting better there, because they are not that close. Only 20.8% shopped in the US in April, spending an average of \$194 per household. So although fewer people shopped, they spent more in the US. Do members know the estimated annual lost sales because of that? Is anybody interested? Is anybody out there? Is anybody interested?

Mr Fletcher: Not in what you are saying.

Mr Callahan: The government member says he is not interested. That seems to be the attitude of the government. They do not care. But the opposition here is fighting this bill because we see this as a total sort of let them eat cake attitude. Does it go with power? I am really concerned, because I look over there and the NDP members are on the government benches and I remember all the years that I heard the rhetoric from the New Democratic Party that it was in favour of the helping the poor, the worker and all the rest of it.

I have to ask myself, can anybody out there really believe they have not been corrupted by power? Because they do not seem to care about that any more. They do not care about the fact that there was \$1.24 billion of lost sales in London, Ottawa and Hamilton as a result of a small number of people, 20.8%, shopping in the US.

The days have gone when members of this Legislature, and particularly members of government, can try to slide even an increase as small as 3.5 cents per litre under the carpet and say, "It's insignificant, it doesn't matter, because we are in such a tough economy." The NDP made promises in *An Agenda for People* that were very admirable, that cannot be funded because the money is not there. They are breaking the back of small business because all this traffic is going across the border. Do they have a plan? Are they in control? Is anybody at the helm, or are we just going to sail merrily into oblivion because we are not looking at it, because we are not thinking about it, we are not debating it, we are not concerned about it?

There are a lot of people who perhaps are watching tonight who are terribly concerned about it, terribly frightened people, single parents, poor people, elderly, people who cannot get home care because there is not money in the budget for it. What do we do? We tax them to death on the one side, and on the other side we throw away \$500 million annually for a political promise that the NDP made in *An Agenda for People* not to piggyback the GST on the PST.

I remember that debate clearly. I remember telling the Treasurer of this province: "Treasurer, you will regret having thrown away the \$500 million in that straight political move, because it will back you into a corner. You will not be able to accomplish those good things that are needed." Of course, my good friend the Treasurer at that time thought the revenues that were going to come in would be sufficient to keep his deficit at some \$9.7 billion and allow him to do all these good things. It has proved not to be the case.

The approach that members in this Legislature have to take today and may have to take for the indefinite future is that they have to weigh every tax measure that goes through this House in terms of: "What am I doing to my constituents? Can I go home and face them when they can't feed their children, when they can't take them to a hockey game?" I remember when my four boys were playing hockey talking to families in a dressing room where they told me that their vacation money was used to register their kids in hockey. That is how tight it was and that was a long time ago. I suggest today it is even tighter.

Members should not just think the 3.5 cents or whatever it is, the 1.7 per litre in April and the 1.7 per litre in January, is a drop in the bucket. It is not. It is very important,

extremely important to those people who are marginal, businesswise or familywise.

I certainly hope—and perhaps it is a rhetorical question—I have not been preaching to the already converted in terms of following the government policy and voting en masse for this bill. If I have, then at five minutes after 7 on a Thursday night, I have wasted my time.

I have to leave members with this final word because I know there are other people who want to speak in this very important debate. I want to leave them with this one thought. They may pass through this House, they may be here for a very brief time or they may be here for a long time. But if they are here for a brief time, I would think they would want to accomplish one, two, three, four, five good things.

If they walk away from this place after the next election or perhaps if they are lucky enough to survive that and get on to another election—and I am sure some of them will; they are good people—but if they walk away from this place in four years, five years, eight years, and cannot honestly say to themselves that they have exercised their conscience—not, with all due respect to the Premier or any Premier, what they are told by their government whip, who is a delightful lady—if they cannot do that, if they are so frightened about losing their Chairman's job, like my good friend, I cannot remember his riding—

Mr Waters: He can't remember his name.

Mr Callahan: I have great admiration for that man because he had the guts to do exactly what I am asking these people to do, but he did at the risk of losing something like \$10,000 in extra emoluments. That to me is a person who will be re-elected. He will be back in the next Legislature because the people of his riding will know that he represented them and did not care about the powers down the hall who allocate the jobs.

When it comes time for this vote—

Mr Fletcher: When did you ever vote against your government?

Mr Callahan: The member can check my record. You do not get into cabinet for that, and I never did. I have no misgivings on that at all, because the problem is this whole place has got to be cleaned out and reformed because the whole system is a crock, with the greatest respect, Mr Speaker.

The sooner the electorate understands, as I have said before and I will close with it, that it is an oligarchy—the place is run by the Premier, about four or five cabinet members that the members opposite probably never get to talk to because they are in the inner circle and about six spin doctors who are not even elected. They are down there in that lovely side room, as has been the case since time immemorial, calling all the shots and the members opposite, like windup toys, as has been the case since time immemorial, stand over there and vote for each and every measure the government brings forth.

If the public can buy the fact that the government of the day, be it this government, be it the Conservatives or Liberals, has got so many perfect policies that it has convinced all members of its party that it is absolutely perfect

and they should vote for each and every measure, if the public buys that one, then I have some swamp land not in Florida, which is too far away, but in Buffalo to sell to them. I am sure they do not believe that.

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Members should not kid themselves, television has changed this Legislature dramatically. It is no longer just an old boys' or girls' club. It is real business; it is the public business being done for the public's benefit and not the members' benefit. Government members had better decide before the vote is to take place: Are they going to do what they are told to do, or are they in fact going to do what they swore to do? They should remember that day down in the Clerk's office when he swore them in and they said some words to the effect that they would do the best for the people who elected them.

What about the prayer that we say every day in here? I really wonder about that prayer because it says all good things about what we are going to do. I would love to read it because it is an excellent prayer, and yet I think it is lipservice by many of the members in this House, because we do not do that. If we vote because we are afraid of losing our perks, or if we vote because we are told to vote that way without exercising the God-given gray matter we have got, then that prayer every day at the opening of this Legislature—they may as well stay away and forget it because they are not carrying it out.

Finally, this bill, like many on taxes particularly, is one they should exercise their judgement on. They should not let them give them this junk about their losing their chairmanship or parliamentary assistant job. In unity there is strength. If enough of them have the guts to stand up against that tyranny, they will not lose their jobs. They should not let them rattle or pull their chains. They are here to represent the people of Ontario, not the Premier, not the House leader, not the whip, with all due respect, not the ministers, the powerful ministers; they are here to represent the people of Ontario. If they do that, I can assure them they will have earned their pay and they will have earned the respect of the people in their riding.

If they fail to do that, this will be their swan song in all likelihood and more important, when they go home on the weekend and attend events, I think people will start asking them questions: "Whom are you serving, the Premier of this province and his government or me?" Those questions are going to become more and more and they are going to get tougher and tougher as times get tougher.

I leave the government members with that. I urge them to give consideration to it and I will tell them something: I think that if that happens, if any of them have the guts to stand up and do that, they will have secured their right to be re-elected and they probably will be re-elected in the next election because the people will see that they have said: "I don't buy the system. The government is not going to fall because of this and I am going to exercise my right and my sacred trust that was given to me by the electorate to do exactly what they want me to do, not what the government wants me to do."

Mr Huget: I listened with interest to the comments by the member for Brampton South, particularly his very wise advice about asking myself, as an elected representative of my constituents, what I am doing to my constituents when I raise taxes.

The member for Brampton South and the opposition party must have asked themselves that question many times in five years. His party and his government, of which he is a member and now a member in opposition, increased taxes some 33 or 34 times in five years in the boom times in Ontario, and he has the colossal nerve to suggest to me that we are out of line in increasing taxes on tobacco, fuel, alcohol and making minor income tax increases on incomes above \$84,000 a year in a recession. In a recession we have also managed to lower taxes to 120,000 low-income families in this province, something his government did not or could not do.

The member likes to quote statistics about cross-border shopping in Sarnia, Windsor and St Catharines and other areas of the province as all being gas-tax-related. The same report he quotes from and has selective amnesia about in some parts also refers to a 57% increase in cross-border traffic since the implementation of the free trade agreement, an additional 22% increase in cross-border traffic since the implementation of the goods and services tax, so for him to imply that this 1.7-cent-a-litre increase is the root cause of all of our problems is absurd.

This government has done more for border communities in tough economic times than his government ever considered. We have implemented the border communities' assistance fund, which is a \$5-million fund to assist nine regions of the province to try and cope with a very difficult situation. We indeed recognize that it is a difficult situation and we will do everything in our power to correct it.

One thing that confuses me to this day is why the opposition party, the former Liberal government, called an election at all. They should simply have thrown in the keys. They had run the province into the ground.

Ms Poole: I could not let those remarks go by unchallenged. The member for Sarnia was very—

The Speaker: Would the member for Eglinton direct her remarks to the member for Brampton South, the speech we just heard?

Ms Poole: Of course, Mr Speaker. The member for Brampton South has made some very good points in his speech. I was watching him on television and he was very eloquent. One of the points that the member for Brampton South was making was in the area of taxation. The 33 tax increases brought in by the Liberal government were balanced by 29 tax reductions, but do we hear about any member of the government party talk about this? No, we do not. They like to give a one-sided picture. That is not what it is all about.

We have also had discussions about the effect of this government's policy of taxation on cross-border shopping and what it has done to those cross-border communities. I can tell these members across the way that one of the policies that has influenced the cross-border shopping enormously has been their stand on Sunday shopping, the

fact that they denied these communities the right to be open on Sunday even though it is their lifeblood and even though it is driving people from those communities across the border.

Not only that, their policy on raising taxes on fuel, for instance, is ill thought out, particularly in this time of disaster for the cross-border communities, because people are going across the border to buy their gas and while they are there they buy their clothes, they buy their groceries and they buy their liquor. When this government raises taxes on those items, it is effectively killing those cross-border communities. I wish the NDP members would look at both sides of the equation instead of their biased rhetoric.

Mr Sutherland: I listened intently to the comment from the member for Brampton South. Once again he shows that his caucus and his party are somewhat all over the map. He talked about the impact of not having this increase, yet we have also heard from his party about the deficit. We have heard about them cutting back services. We certainly know that time and time again, when his leader was House leader and finance critic, has got up and talked about the CAT scanner for St Catharines and he has lamented the loss of the Golden Helmets and the OPP band. At one time he says, "No, you shouldn't be making these cuts," and the next time he says, "The deficit is too large and spending is out of control by this government and they cannot control it."

Now we have another member of that caucus saying, "Don't raise any revenue." That is what they are saying. They want to have it every way. Quite frankly, they cannot have it every way. The people of this province realize that we have very tough decisions to make. None of us enjoy the idea of increasing this gasoline tax by the amount we have had to, but the reality is that we did have to raise some revenue to keep the deficit to a certain level.

The member has talked about people being concerned, and I know there are a lot of people, especially those on fixed incomes, who are very concerned about this issue and about the impact it will have. But I have not seen or heard of a great increase in car pooling going on. There are a lot of people in major urban areas who could be doing a lot more car pooling. It takes a little initiative to get it organized, but it can save people a lot of money.

It is also like the issue of hydro rates. Many people are complaining about increases in hydro rates, and yet I have not seen any fewer Christmas lights on in my community. I have seen just as many. In some ways I know many people are affected, but we have to make those tough decisions.

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The Speaker: Questions or comments? The member for Wellington.

Mr Arnott: I do not have any questions, sir.

Mr Bradley: So I get a chance. Oh, good. I am very pleased to be able to in the two minutes I think I have—oh, it says one minute and 25 seconds. Do you want me to start again?

The Speaker: We have a little technical difficulty.

Mr Bradley: Okay, there it is. I can see now. That is fine.

I thank the member for Wellington because I know he is going to deliver a very good speech tonight on this bill. I want to compliment the member for Brampton North on his speech because—is it South or North?

Mr Callahan: South.

Mr Bradley: South. He represents a lot of Brampton over the years, as everybody knows. He outlines some of the real problems that we in the opposition have with this tax, but I want to say that I was particularly pleased to note that he spoke about the effect on the automotive industry in Ontario.

All of us have received the news, and some members will recall that last week I questioned the Premier and the Minister of Industry, Trade and Technology on the future of the automotive industry in Ontario, and how the Ontario government could first of all contribute to retaining that investment that is here and, second, encourage more investment.

The reason I asked it we can see this week. General Motors has made some ominous announcements, none of them official, but there are certainly ominous rumours out there that there are going to be some significant plant closings and job losses in Ontario, unless the information that is coming out is not accurate.

One of the reasons that can happen—and just one of the reasons; I do not want to be unfair enough to say it is only because of the Ontario government—is that I think this speaks to the fact that the Ontario government has to abandon some of the legislation it is proposing, some of the regulations, some of the policies, some of the taxes and some of the rhetoric some of the members are involved in. The reason they have to do that, even though they may believe the things they ran on, is that if we do not see this happening we are going to see those plants moving out of Ontario, with thousands of jobs lost in my own community of St Catharines and, of course, to the people of Oshawa and other parts of Ontario. So I urge the government to change its policies and encourage people to stay here.

Mr Callahan: I find it interesting that the member for Sarnia stood up and castigated me and tried to blame it on the GST and free trade, and yet he is not even here; he has left now. I do not blame him. I would disappear too if I were the member for Sarnia, because Sarnia has the second-highest incidence of cross-border shopping of seven border communities, with 47% of the population going over in April, local sales of \$148 million being lost, lost taxes of \$20.9 million, average cross-border trip purchase \$47, annual lost jobs due to cross-border shopping 2,072, and 84% of cross-border trips involving purchases of gasoline. When he gets home on the weekend, if people from Sarnia have been watching this, they are going to send him over to Detroit on a one-way trip.

My good friend the member for Oxford stands up and says, "You guys put on taxes as well." Those people have missed the entire point. The point I was trying to make was that it was all right in the good times, perhaps, to put 3.5 cents on our gas tax, because we do not have any tolls like the US does. We are not in good times; we are in bad times. The minute the government does that, when it puts a tax on something that is important to the average Canadian—

not the rich, not the super rich, not even the average Canadian; poor people have cars too—it breaks the camel's back. They deprive them of the ability to be able to do that and they force them to go across the bridge.

To the member for Sarnia and to those members from Sault Ste Marie, Windsor, the Niagara Peninsula, Kingston and Cornwall—good luck.

Mr Arnott: I am very pleased to be here on a Thursday evening to debate Bill 86, An Act to amend the Gasoline Tax Act, which was introduced by the Minister of Revenue April 29 for first reading. We have just gotten around to completing the debate on second reading this evening.

Of course we all know that Bill 86 is a tax bill, a revenue bill, a budget bill that implements the 1991 budget proposal, which is to increase the tax on unleaded gasoline by 1.7 cents per litre effective, I believe, April 30, from its level prior to April 30 of 11.3 cents, which makes the price as of today 13 cents per litre on a litre of gasoline. Of course this bill will hit us again January 1, 1992 with an additional 1.7 cents per litre, which will mean that the total tax on a litre of gasoline is 14.7 cents.

The other part of this bill that is not as controversial as this part is to increase the aviation fuel tax by 0.3 cents a litre, from 2.1 cents to 2.4 cents, and by an additional 0.3 cents a litre to 2.7 cents a litre, effective January 1, 1992. So the aviation fuel tax will be going up as well as a result of this bill.

There are a couple of other parts to the bill that will, I understand, combat tax evasion, such as a requirement that all importers and exporters of fuel and interjurisdictional transporters of gasoline, aviation fuel and propane register with the Ministry of Revenue. A provision is included in the bill that will allow for the seizure of gasoline or aviation fuel or propane for unlicensed interjurisdictional transporters. Additionally, I understand, there is a requirement within this bill that transporters provide security to the ministry in amounts that are specified.

I do not think too many people in this House during the course of this debate have expressed grave concern over the measures that will combat tax evasion, although, when we look at the bill and we see the increase in tax—and, of course, the general trend we have seen over the last number of years is that governments increase taxes and increase taxes—we find that there is some degree of concern over on this side—in fact, a considerable degree of concern.

As part of my responsibility in this House as the member for Wellington, whenever a bill is introduced and I am asked to vote on it, I look at it and try to assess how it is going to affect my constituents. I feel that, without doubt in this instance, this bill will have a very detrimental impact on the people of Wellington county.

I look at the farmers in my riding. Wellington county, as many members will know, is one of the best agricultural ridings in the province. We had about a 10,000 farm population as of 1989. I hope the parliamentary assistant to the Minister of Agriculture and Food will find it within his power to give me more recent statistics. The year 1989 is the most current I understand the ministry has compiled. At the present time we have about 2,500 farms. We go through the breakdown and we have about 600 cattle

farms, almost 600 dairy farms, about 400 hog farms and about 102 poultry farms, and then a few other miscellaneous ones.

Given the fact that these statistics are two years old, in all likelihood we have fewer farmers, but we do not need to get into that particular issue. There is a concern on this side of the House, and certainly in my belief, that the government is not supporting farmers to the extent it should be. This particular tax, this Bill 86, will have an effect on the farmers in my riding.

Naturally, farmers get a certain rebate on some of the tax they pay on the fuel they use, but certainly a farmer who drives a truck from, say, Arthur township, drives into town into Arthur, or a farmer in Minto township who goes into Harriston to get some of his groceries or goes in to buy a suit of clothes, whatever, certainly is paying a great deal of tax on gasoline that is consumed. Of course, as has been mentioned many times in the House in this debate, the people of my riding have very little access to public transport, certainly no access to public transport that is in any way subsidized by the provincial government. So they have no choice. They drive their trucks and they drive their vehicles. As a result, they are being hit very severely by this tax.

The seniors in my riding are going to be very concerned about this tax, and I know they are. I hear it from them quite frequently. They are very concerned about the general level of taxation. Many seniors in my riding are on fixed incomes, and they find it very difficult to make ends meet and to have hope for the future when they continue to see their limited incomes, their defined incomes which do not necessarily change from year to year—perhaps they are fortunate enough to have indexed pensions but if they do not they are living within a fixed amount—and yet they see their cost of living going higher and higher as a result of these sorts of measures.

When seniors in my riding have to go downtown for their business or to church on Sundays or to visit their families or whatever, they end up using their cars. As many of the members have spoken about earlier, many of the senior citizens do not have brand new cars. They do not have the most fuel-efficient cars because many of them are small-c conservative-minded people. They like to conserve their money and they do not want to spend a lot of money on these sorts of things.

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The small business people in my riding are going to be very severely impacted by this tax, because once again, they are involved in transacting their business and it is very difficult for them to find any other mode of transportation other than their own automobiles.

I have a great many commuters who live in my riding Wellington county and travel on a daily basis into Toronto, into the GTA and into Mississauga—literally hundreds, I would think, if not thousands of commuters within my riding who travel up to an hour each way and probably up to 60 miles each way. I know that with this bill and the continued trend towards higher gasoline taxes and the continued trend of governments to not recognize that there is a breaking point for taxation they are going to continue to be

hit by this sort of initiative, and it is a cause for great concern in their minds.

There are poor people in my riding. I find it difficult sometimes when I hear members opposite assume that the Conservatives do not know anything about the poor and do not care about the poor because it is absolutely false. I think where we differ with the government with respect to policies which will help the poor are the methods we would like to utilize in order to raise the poor up to a decent standard of living. In my riding I have a great many people who live below the poverty line. I find I have a great many people who exist on less than \$20,000 a year household income. They do not consider themselves poor, and the cost of living naturally in my riding is quite a bit less than for people in Toronto.

Nevertheless, it can be a very onerous thing for the poor who once again have to get around if they are going to look for work or if they have a job. Again, they have some of the older vehicles on the road which are the least fuel-efficient vehicles and that unfortunately probably have less capacity to reduce fuel emissions. I find it absolutely stunning that this government would come forward with legislation that will have a very detrimental impact on the poor people in my riding.

That having been said, we know this bill will have a significant impact on the revenue side of the government. I understand it will in fact generate an additional \$205 million this fiscal year and \$410 million in a full year. This one tax will generate approximately an additional \$500 million of revenue for this government. The government says when it discusses this with us: "We have to have taxes. We've got programs that have to be paid for and we've got programs that people are demanding."

We on this side understand that, but we also understand and we continue to put forward the view that there is a limit to the amount of money people can be asked to pay in the form of taxes. We have heard many times this evening about the concept of the Fraser Forum's Tax Freedom Day. I do not think the members opposite have too much respect for the Fraser Forum—I understand that by their responses—but nevertheless there is a factual calculation put forward by the Fraser Forum every year. It demonstrates how far into the year the average person has to go before he starts making money for himself. In this case, I think August 2 is Tax Freedom Day. It is the seventh month of the year I guess.

Mr Carr: Eighth.

Mr Arnott: The eighth month, the ninth month, where do we end? At some point do we declare Tax Freedom Day December 12 perhaps? Maybe at that point this government will assume that enough is enough and that taxes have to start to come down. I hope we can convince them in this debate tonight, but I dare say it is going to take a lot more effort than that. I can assure you, Mr Speaker, we will continue to try to bring this government to its senses.

Another aspect of this tax that concerns me greatly is the willingness I think in the last number of years of governments to categorize gasoline as almost another sin tax. Governments have found it very easy politically, in their

own minds I guess, if they want to increase revenues or if they feel they are required to increase revenues, to just slap another tax on tobacco products, slap another tax on alcohol, slap another tax on this and that that they feel are sin taxes, and now gasoline is lumped into that category. The consumption of gasoline in my riding is no sin. It is an absolute requirement if you are going to have any mode of transportation. It concerns me greatly when this government seems to lump this tax in with its sin taxes.

It is not just this government because the Liberals have done it before and I dare say perhaps—I do not know for sure, but I would not rule out the possibility—the Conservative government in the 1970s and early 1980s has done that too. It has to end because we cannot continue to sustain these significant tax increases.

There has been a lot of back and forth in the last hour with respect to this debate between the Liberals and the New Democrats, each blaming the other for the state we are in. Something that bothers me very much in this place is that I still believe the Liberals bear a large degree of culpability for the severe economic times we are experiencing at the present time, and certainly for the \$9.7-billion deficit.

The Liberals over their five years in power increased spending at approximately 10% per year, I believe. If I am not correct I certainly stand to be corrected. I believe it was, generally speaking, a double-digit increase per year in order to meet their spending requirements which naturally they felt were necessary and it was within their responsibility to take that position.

Interjections.

Mr Arnott: The member for Grey has come in properly attired.

Through the late 1980s we experienced an incredible economic boom. We found that our economy was quite—

Interjections.

Mr Arnott: The member for Grey has disrupted my train of thought here but I will attempt to continue.

Mr White: On a point of order, Mr Speaker: I understood it is the custom in this House for male members to wear ties.

The Speaker: That is not a point of order. The member will know we do not have a dress code. However, it can be noted the member for Grey indeed carries on a very fine tradition and is most welcome to continue that tradition in this House.

Mr Arnott: Through the late 1980s we experienced an incredible economic boom. We had incredible growth and it became an overheated economy which has required, quite simply, some of the policies that have been coming forward from the federal government with respect to trying to eliminate the inflation pressures that were created by these incredible increases by the Liberals.

The government we had in Ontario for the past five years felt no restriction to keep taxes as low as possible because they had spending requirements they wanted to meet, but no government could sustain the incredible spending that the government of 1990 left for this group without the incredible economic boom of the type we saw in the late 1980s. Frankly, I firmly believe those times

were extraordinary. We are not about to see them again, perhaps not for 30 years. We could not sustain that sort of spending, and that is partly the result of the \$9.7-billion deficit.

1940

The new government came in. They were quite excited the first year and they had priorities of their own. They had people they wanted to assist and they went ahead with new spending priorities and they did not feel really all that compelled—I do not think they felt compelled in any way—to restrain spending until now, this year, when we find they do feel some compunction to restrict spending as much as possible.

At least, they have taken some steps. I would argue that they have not taken the steps that they could. They have closed a number of registry offices in this province, at a savings of \$1 million, and I guess we found out today where that \$1 million that was saved on the closure of the registry offices is going to be spent: the new outreach program, the program to provide more consultation and the animators, I guess, that we were talking about today. It has been criticized as being a measure that will in fact promote the NDP. I certainly hope that is not the case, although I suspect the opposite.

I find it very difficult to accept the arguments that are brought forward when it cuts spending and tries to do these things that affect my riding profoundly, yet spends money essentially on its own partisan political purposes, which is what has happened as of today.

I look at the 1.7-cent-a-litre increase in tax and part of what I look at is how it is going to affect me personally. I do not think there is anything wrong with that, but two increases of 1.7 cents per litre add up to 3.4 cents per litre. That is a 30% increase in provincial fuel tax. I am fortunate enough to have a fairly new car. It takes about 52 litres to fill it up. That costs me about \$27 each time I fill up my tank.

This new tax increase will result in a \$1.50-per-tank-of-gas increase in the price of a tank of gas for me personally, so when I look at a \$27 tank of gas, after this bill takes full effect in 1992 I will be paying approximately, by my own calculation, about \$4.50 in tax. I find that very difficult to accept. I probably buy two tanks of gas a week to meet the requirements inherent in my job, so that is about \$9 a week in tax. I look at how it affects me personally, but many people in my riding spend more on fuel than I do. Many people do not have as fuel-efficient a car as I do. They are going to be hit very severely by this tax.

We have talked about the issue of competitiveness in conjunction with this debate and we have talked about how this tax and the fuel taxes and gasoline taxes in Ontario compare with other provinces in this country. I have here a comparison of the provincial tax rates between Ontario and some of the other provinces in this country.

We find that in Quebec, the people of Quebec pay 14 cents per litre in tax. The people in Quebec have long suffered under a very high tax structure. The people of Newfoundland pay 13.7 cents per litre, and of course in Newfoundland, where they have severe regional economic disparities, they have had higher costs of living historically and high taxes. In Ontario we have 13 cents per litre, which is something we are not used to paying, not accustomed to

paying, because in the past, I would say five or 10 years ago, Ontario had a very competitive tax structure, so it is a new phenomenon for the people of Ontario.

In New Brunswick, the price is 12.7 cents; in Nova Scotia, 12.3 cents. Again, those are fairly comparatively high rates for the people of the Maritimes, in line with Newfoundland's. Prince Edward Island is a little better at 11.5 cents. Then we get out west where the tolerance for high taxes among the people of the western provinces is quite a bit less than it is here. As a result, their taxes on gasoline are not quite so high. In Manitoba, it is 10.5 cents per litre; in Saskatchewan, 10 cents a litre. When we get way up north, in the Northwest Territories, it is 9.1 cents a litre.

Alberta, of course, has a very low tolerance for high tax rates. They only pay about nine cents a litre, and they have domestic production of fuel, so that is something that is perhaps affecting that. In British Columbia, it is 8.82 cents, and the Yukon is the lowest at 4.2 cents.

As I said earlier, the people of Ontario are not accustomed to paying these high rates of tax on their fuel, but as a result of some of the policies that governments have undertaken in the last five or six years it is now the third highest rate in the country. That has a very damaging effect on this province's competitiveness, as I believe we all know, but the government will not recognize that fact. It refuses to recognize that fact.

When we talk about this issue in terms of the price of gasoline, we also have to think about the price of energy generally. One of the things that greatly concerns me is the general thrust of the energy policy of this government: the cost of hydro, the spectre of a 44% increase in hydro rates that has been talked about.

I see my friend the member for Sarnia, as the minister's parliamentary assistant, shake his head, although I do not recall anyone actually categorically denying that is going to be the case. It gives me great concern. It will affect my riding considerably if that comes about.

When I talk about the farmers in my riding who have fixed energy costs—whether it be the diesel for their implements or the gas for their trucks or the electricity that helps them run their dairy barns—it is a very significant cost of their production, and if they are looking at news where they see that possibly—as I say, the government has refused to categorically rule out this 44% increase that has been discussed over three years—that news to a farmer in my riding suggests that things are not going to get any better in the near term and that his cost of production is going to continue to go up.

As the government finds that its policies are still not in line with what farmers require, I suspect that many farmers in my riding, with the numbers I have given here in terms of 1989 farmers, are going to be significantly less in the near future.

I have another responsibility that I must bring to this House, and it is as my party's tourism and recreation critic. This is a bill that came forward as a result of the Treasurer's budget. Tourism Ontario, prior to the budget, brought in a document that it gave to the Treasurer. In a 1991 pre-budget submission to the Treasurer from Tourism Ontario, they made a number of very constructive suggestions for tax

changes in this province and I think they did a very thorough job of it.

Even though none of these initiatives were addressed in the budget, I certainly hope that in the next budget some of them will be. They are not all asking for tax cuts either. They are asking for some tax changes that they feel will be beneficial to the industry, and I certainly concur. The tourism industry asks for these constructive specific measures, many of them revenue-neutral. None of them were picked up this time. Instead, this Bill 86 comes out through the budget, Bill 86, an Act to amend the Gasoline Tax Act. This bill will have a very damaging effect on our tourism sector. There is no question about that.

The people of Ontario, who choose to spend some of their tourism budget in their own province find that the price of gas gets higher and higher. If they are going to an eastern Canada destination, for example, and they have to drive, say, from Toronto east, they find it is much cheaper to drive through the United States because of the price, and that is the reality. We have to be very concerned about that.

I do not see too much happening over there with respect to the tourism industry. The Minister for Tourism and Recreation has not made many announcements in the House. Frankly, his attendance has not been all that great in the last little while. I am not sure what he is doing. I assume he is travelling around the province. I hear he is travelling around the province. I know he is a good listener and I hope he is listening and I hope he is bringing back the concerns of the tourism industry to the cabinet in a very forceful and effective way, although I suspect that given what has happened in the last year, the Tourism minister is not being as effective as he should be.

I next would like to respond to some of the criticisms that have been brought forward during the course of this debate by the government members. They are suggesting oftentimes that we have no positive, constructive suggestions to offer, that we are only interested in running, that we are sort of on both sides of the issue, and I would suggest that in this caucus that is not the case.

We have been very consistent with respect to the things we have been saying. Certainly we speak up for our ridings when issues come to the floor of this House. I think that is a requirement that we have to do and should do. Certainly when an issue with regard to spending affects our riding, we are the advocates on behalf of those people in our ridings, and by the very virtue of the fact that we are standing up and indicating support for that particular issue, we see it as a priority. It is not inconsistent for us to talk about concerns about a \$9.7-billion deficit, and then from time to time speak with respect to our own responsibilities as critics and suggest that government priorities might be different and in fact should be different.

This document, which has now been made public, is our party's Blueprint for Economic Renewal and Prosperity in Ontario: New Directions.

1950

Mr Owens: I'd like to receive a copy.

Mr Arnott: I hear that one of the members opposite, the member for Scarborough Centre, is interested in receiving

a copy of it. I certainly will arrange for him to get one, because I think he will find it very enlightening. I hope that he finds it interesting and will take these views forward within the government caucus.

We do not profess to have all the answers, but we do believe that these initiatives, if enacted by the government, instead of this sort of thing, which simply raises taxes in a short-term way, are not the sort of approach the government should be taking. One of the suggestions we have made is in fact a reduction of sales tax from 8% to 7%. We are not promising to do this. We believe the government should do it at this time. It is a little different from when the Liberals checked the polls and saw themselves falling like a stone during the last election. We saw the Premier come on television and announce that he would be prepared to cut the sales tax from 8% to 7%. At that point, I guess many of us knew that the Liberal era was finished. This is a suggestion that we believe would be timely, would be helpful, would stimulate the economy at this time. Certainly we put it forward in all confidence that the government will take a look at it. We hope it will.

We have talked about cutting gasoline and fuel taxes, not raising them by 30% over a period of a year or so. We believe they should be cut by approximately 10%, because we think this approach would benefit all sectors of the economy including transportation, including tourism and including manufacturing. There is no question that this sort of approach would be an immediate relief to many of the taxpayers in this province who feel overburdened. They would see it as a positive signal coming forward that this government is interested in keeping taxes minimized, is interested in spending restraint and is not going to bankrupt the province, although many of us in this House fear otherwise. We fear that the government will not have that incentive and over the course of the next three years will never acquire it.

We have brought forward many of these constructive suggestions and we will continue to do so. We have also talked about the employer health tax, which was brought in by the former government, a payroll tax which, as I think we all recognize, is an implicit killer of jobs. If you are a small employer and you are interested in expanding your workforce, hiring some new people, it has got to be a consideration. We know the more an employer pays out in payroll, the more he is going to pay in tax. It is as simple as that. It is simply a percentage of the payroll that an employer pays out. We have talked about the idea that what should happen is that the employer health tax should be phased out for small businesses with payrolls under \$400,000. I think that would be an excellent initiative this government should undertake instead of the likes of Bill 86, once again, just a quick snatching out of the taxpayers' pockets for another \$500 million approximately.

We have talked about public sector restraint, restraining government spending such that this sort of initiative would not be required. We have offered many, many suggestions to the government and will continue to do so in the hopes that it will pick up some of them.

I think I am finished with my contribution today, but I do want to reiterate that Bill 86 is the wrong tax at the

wrong time. It is just not a constructive way to go today in this province when taxes are as high as they are. If the government would simply realize that it has to get taxes down, that taxes are already too high, if it could acquire that sort of perspective, perhaps this government would have a chance of getting out of the problems that have been created by former governments.

Mr Miclash: I too would like to congratulate the member for Wellington for bringing forth a good number of points in terms of this tax. One point that really caught my attention was the fact he was mentioning people travelling out of Ontario into the United States. Earlier on this evening, I mentioned that we had a good number of people from northern Ontario who were actually coming to southern Ontario but getting here through the United States.

He mentioned a survey done on the border communities and finding that a good 80% of the people were crossing the border to get gasoline at much less cost. You could almost see the pattern developing, from northern Ontario to southern Ontario, paralleling the Trans-Canada Highway but through the United States of America, and then as the member for Wellington has indicated, not only from northern to southern Ontario but again from southern Ontario farther east, whether it be to the eastern provinces or into the United States. Again, he is showing that same pattern where people are being forced across into the United States because of these gas prices. All we are doing is raising the tax on gasoline by 30%. I would suggest that 30% raise will again move more people across the border.

A figure of 80% was mentioned. I would say if we took a survey and took a look at the number of people travelling in that direction or travelling to the west, we would probably find that a good amount of people, maybe not 80% but a good amount, would be moving to that parallel route to take advantage of much lower prices.

Being the critic for the Ministry of Tourism and Recreation, the member for Wellington did bring forth a good number of points that are related to tourism across the entire province. Earlier on I brought forth points regarding tourism in the north, but as he has indicated, it is not just the north; it is the entire province that will suffer when our American friends come across the border and see again this huge difference in the gas prices.

Mr Carr: I just want to thank my colleague the member for Wellington for a fine presentation. It is at this time of year that I guess we sit back, reflect and thank some of the people who have been supportive. Members heard some of the comments that were made in a well-thought-out and pragmatic manner tonight. Here is an individual who spent a great deal of time serving his constituents and working hard in the riding, but I think in the short year and a little bit since he was elected he has really come to grasp the issues that are facing this province.

I do not think he will mind my saying that as one of the youngest members in this House—and Lord knows I am not that old myself, although in this business I am aging very quickly, by the hour literally; I certainly believe the future of this province is going to be in great shape; I think all members of all sides of all political stripes would say

that—it is nice to see we have a member like my colleague the member for Wellington who has shown leadership in this. Indeed this province is going to be in good shape. At this time of year, I just want to congratulate him on a fine job well done.

Mrs Caplan: As I comment on the Gasoline Tax Amendment Act I think the comments of my colleague the member for Wellington echo what my constituents in the riding of Oriole are having to say. At this particular time of year, in the midst of a recession, they believe it is the wrong time to increase taxes. People are losing their jobs. They do not have extra money, and not only that, people are suffering. A 30% tax increase in the price of gasoline at this time is affecting travellers, people from my riding who have to use their cars on business. It is increasing the cost of doing business and it is really placing a hardship on working families right across this province.

I share the concern that has been expressed by so many members of this Legislature, and on behalf of my constituents in the riding of Oriole I would appeal to the government that this is not the time to increase gasoline prices by 30% and this is not the time to be raising taxes in Ontario. This is the time to understand that the people of this province are suffering. They are concerned. They lack confidence in the future. They have no confidence in this government, which is raising taxes at the very time it should be doing exactly the opposite.

I want to congratulate my colleagues who also have joined with me to urge the government to reconsider this ill-timed, thoughtless and very damaging piece of legislation, which will increase gasoline prices in Ontario at the very time we should be helping consumers and helping people cope with this recession.

2000

Mr Johnson: I listened with great interest to the member for Wellington. His presentation was done very well, I want to say, but some of the content of his debate was something that I could not agree with. There is an agenda that drives the opposition here. It is an agenda that quite frankly is very unfortunate, because we want to see Ontario do well. We want to see Ontario survive this recession.

I think the agenda that drives the members of the opposition is one based on information that is not balanced. They have chosen a side they want to express that would suggest to us that somehow it is the government's fault that this recession is happening and that these marginal tax increases are going to make things worse. Quite frankly, I do not think that is the case. It is unfortunate that this agenda that drives them causes them to stand on every occasion and blame us, the government of Ontario, for the circumstance in which we find ourselves. I think that is wrong, because I do not think that is so. I do not think that is correct at all.

There are many factors we have to contend with that have made the recession in Ontario as bad as it is. To blame the government and suggest that these taxes are going to make this situation worse is wrong. The federal government most certainly has not helped.

I do not think people or companies really want to go to the United States. The taxes that are levied against companies and people in the United States have not been well represented by the opposition. They would like the people of Ontario to believe that it is a better place to go. Quite frankly, that is not correct.

Mr Arnott: I am pleased to respond to the kind remarks of the member for Kenora, the member for Oakville South and the member for Oriole. I thank them very much for their very kind words and comments.

I was hoping we would hear some comments from the members opposite who represent border ridings. The member for Sault Ste Marie is here, as are the member for Sarnia and the member for St Catharines. I often wonder, when they go home on the weekends, how they justify to their constituents the increased taxes. I should talk to them about it informally some time, because I would be very interested in hearing how their constituents respond to that sort of thing. The prices go up and up and it is very difficult for those people, their constituents, to abide them. I find it very surprising that those members will indeed support this bill, this tax, although I dare say they will.

In response to the member for Prince Edward-Lennox-South Hastings, I thank him for his comment, first of all. The criticism that comes to our side from the government in this respect, that we are not balanced, I am concerned about, because it shows me that the member is missing the point of the parliamentary process to some extent, the parliamentary democracy, where we have a government that comes into power and feels it has the lion's share of the good ideas and brings forward initiatives.

The government is not one to tell us the downside of its policies. They never do; they never will. They always talk about the pluses. Every policy has good aspects and bad aspects, downsides and upsides. It is the government's job to tell us the upside, and it will anyway. It is our job to let people know what the downside is, and hopefully in a responsible way, hopefully in an effective way, but also hopefully in a fair way. We undertake to do that as best we can. I believe our remarks are fair in this respect, because the reality is that taxes of this nature are going to continue to pile up under this government until we can change its mindset. We have to get to that point or the province is in serious trouble.

Mr Carr: I want to take a quick minute before I get into the topic, just to, with a little bit of indulgence, thank all the fine people who have had to stay this evening as a result of our late sittings. To those people who have given up time with their families, particularly at this time of year when there are a lot of Christmas parties and numerous events going on, I think we should take a quick minute to thank those people who are kind enough to serve the people and do not get any thanks. When politicians are told they have to stay to midnight and they might have to get up and speak for about two or three hours, the politicians get very excited and it is like Christmas has already begun. But to the other people who have to spend the time here serving the people, it is a difficult task. On the way in, the fine gentleman who serves us here and protects these fine

chambers was saying that he has had to be here since 9 o'clock this morning. So before I get into the very heated issue and the programs we have, I want to thank the fine people who have had to sit and put up with us, and the people of this province do thank you. So to those, thank you very much.

Way back just before the last budget I made it clear what I thought should happen in this province. I said to the Premier of this province that I did not believe there should be any taxes. Just before the budget I tried to impress upon both the Premier and the Treasurer, because as the Treasurer used to say: "Read my lips. No new taxes." I held this up to my colleague the Treasurer of this province, who does have a good sense of humour, and believe me, when you are Treasurer of Ontario in this day and age you need to have a sense of humour. As we often say, the signs and pictures are worth a thousand words.

"No new taxes," I think, says it best about what the people of Oakville South believe in. In fact, that was a big issue in the campaign last time, as members know. I would not for a minute pretend to speak for the member for Carleton East or for the member for Kenora or for Parkdale or some of the other areas of this province, but I do think I know the people of Oakville South and the southeast Burlington portion of my riding.

In September I sent out a document asking for input on what some of the people thought. I got some replies back, and I wanted to—

Mrs Y. O'Neill: On a point of order, Mr Speaker: I do not believe there is a quorum present.

The Speaker ordered the bells rung.

2009

Mr Carr: Now that all 75 members of the government have come in, I am glad to see I will be able to speak to the Premier tonight. Is that how many of those guys won? Actually that many?

Mrs Y. O'Neill: Seventy-four. Don't let them kid you, Gary.

Mr Carr: We do not and are not able in this Legislature to speak for all areas, although I did have, I think, without a doubt, one of the best opportunities in this job to travel around and visit various parts of this province. We had a chance during the summer to speak and deal in some of the areas with my friend, the member for Wentworth East, and spent some time visiting with the people of this province. Indeed, we do have a better appreciation of what some of the concerns are of the people in Thunder Bay where we visited.

Mr Tilson: Where are some of the places you went?

Mr Carr: Some places like Thunder Bay, and we spent actually my birthday in Peterborough. We spent some time in Ottawa. We did not quite make Kenora. Last week, I guess I had a bit of a chance to go back up to Thunder Bay again and speak to the fine Rotary Club up there.

We do not get a chance to speak for those people, but it does give us a chance to get some appreciation. I think we do know, in each of our own areas, what some of the

concerns of the people are. Quite often, as you know, Mr Speaker, politicians will think they know what some of the big issues are. I had an opportunity to send out a bit of an information brochure to the people of my riding and ask them what some of the concerns were. When it came to taxes, it was very interesting. I want to thank Wayne Fleming, who put together some of the statistics on this for us and did all the hard work that it took to pile this together.

We literally had hundreds of replies back from the people of Oakville South and the Burlington portion of my riding. The question that was asked was very simple. We wanted it to be fairly non-political in this, so we asked, not particularly at the provincial government level or the federal government level or municipal, but we asked—

Interjection.

Mr Carr: Good evening to the member for Etobicoke West who, for those of you who are tuning in, will be the next speaker. It is eight o'clock on a Thursday night. For those of you who are just about to turn over to Bart Simpson when they saw me up, the member for Etobicoke West will be up speaking very shortly, so I will not be too long.

The question that was asked is, "For the taxes that we pay, do you think the taxes are"—and there were four multiple-choice options; we did not want to keep it too complicated—"too high; about right; too low; don't know?" We had hundreds of replies back. I know when you do surveys you will say the fact is that some people may reply and you do not get a pretty good cross-section, but I think you do, the people who were prepared to mark in the boxes. Of the people who replied back, 90.4% said that their taxes were too high—90.4% of the replies of the people of Oakville South and Burlington South said their taxes were too high. It was interesting that 8.6% said they were about right. It was less than 0.1% who said they were too low, and nobody said they did not know. There were no replies back on that.

I think there is a correlation between the fact that in this province, over the last five years, we have had one philosophy: Anything in this province that moved, we taxed it. Then, when it still moved, we regulated it. Then, ultimately, when it went out of business, we subsidize it. Tonight, as we sit here, this province is now the highest-taxed province in Canada and the highest-taxed jurisdiction in all of North America. The problem and the concern for many of the people of this province is the fact that in many ways the quality of the services we get from the provincial government is deteriorating.

At a time when we are the most highly taxed, we have waiting lists. I had an opportunity to sponsor a blood-donor clinic for the Red Cross. I had a chap in there who needed a new artificial hip. I remember when he got asked about the surgical procedure and the doctor said, "We do have this procedure; you're going to need a new hip," he was looking at one year in advance. Twelve months later was when he was going to get it. When the doctor said it was going to be in December or November—I cannot remember what it was, but it was a year later—he thought it meant that month that he was going to get it. The doctor said, "No, no, it's not this year. You're looking at a new

hip next year." So in spite of being the most highly taxed jurisdiction on this continent, the fact of the matter is, if you need some of the services, they are not there and available for you.

There is a correlation between government spending and taxes. It was interesting: one of the questions we asked the fine folks in Oakville South was, "Should the Ontario government pass a law limiting government spending?" Again, the percentage was close to 90% of the people believe that we should.

The fact of the matter is, in this province, we are not spending wisely. That goes beyond all political bounds. That is not just Conservative people. There are people of all political persuasions: the NDP, the Liberals, the people who are non-aligned, who are saying the government should limit its spending. Of course, the government says, "We had no choice."

The spending programs we are looking at really have no correlation with the taxes but, in fact, with the last government it was the case. In spite of all the taxes, do you know what they did with the money? They spent every last cent of it. Nothing was put away during that period of the 1980s when we had the best growth of all the industrialized countries, with the exception of Japan. Our growth rate was absolutely fantastic versus West Germany, France, Britain, the United States. We had the best growth rate, and during that period of time the previous government, the Liberal government of the day, decided: "This is what we are going to do. We are going to tax now that we have got this growth, and we are going to spend every last cent of it and then some." We all know the result of that.

I was thoroughly amazed in the campaign of 1990 when I went around talking to people—I certainly am not now—but so many people were saying, "We are fed up with the tax situation, we are going to Quebec, we are going to Alberta, we are going to Burnaby, we are going to Buffalo, we are not going to stay in this province."

Of course, the Treasurer believes very clearly that people will stay here. His feeling is that business and individuals will stay in this province because they have an aunt that lives in Aurora, or a sister that lives in Sudbury. As part of my critic's position, I go around and meet many of the industries. They say to me, "We know you are supportive in a lot of ways. We know that you are one of the ones that are fighting to keep the taxes down. We do not need to persuade you. But we want the Treasurer to know we are going to leave because we cannot afford the tax situation."

It was interesting to note that in 1985 we had a 10% cost advantage over taxes versus the province of Quebec. The Conference Board study during that year rated us very competitive versus the United States and West Germany and Japan. Today, in a recent Conference Board study, it finds that that has completely evaporated. A Canadian Federation of Independent Business study shows that there are some surrounding US states that have an advantage of 20% to 50% when it comes to taxes versus the province of Ontario. And yet the people on the other side still think that people will try to live and work in the province of Ontario when we cannot compete with the surrounding areas.

This, for want of a better word, poll, survey—call it what you will—showed very clearly that the people are fed up with the tax and spend approach, the public policy that has been around for far too long.

I also put together some of the statistics that are out, and I think it is very important to look at where we are, because there is a correlation between government spending and taxes, and many of the members do not even, I think, spend much time looking at some of the Ontario finances.

The Ministry of Treasury and Economics who, probably as we are speaking tonight, are burning the midnight oil to prepare the next budget. As they put out some of the statistics you will see, and I think it is very important to note, where some of the revenue comes from for all the wonderful programs in this province. If you look at it on the revenue side and you go down about four or five points, you have the gasoline tax—\$1.5 billion on gasoline tax. That was during the period of June 1990. Then there was a report that came on December 31, 1990, then a report that came on September 30. Now we are we are looking at about \$1.6 billion in terms of taxes.

This government believes that by increasing all the revenues you see here, whether it be 1.2% or whether it be 1.7 cents per litre, we are going to be able to generate all this revenue to pay for the programs. But what happens, and it is very simple, when they increase the amount of taxation, the bottom line—and I know some of the members on the other side are not too familiar with bottom lines—but the fact of the matter is, when you increase the taxation you do not necessarily get an increase because what happens is people leave. In this case, with the tax on the gasoline and cigarettes and alcoholic beverages, what they do is they have their own little tax revolt because they go across to the US to get the products. You increase the taxes and, lo and behold, guess what happens? The amount of money that you get back goes down.

2020

So this government looks to see where the revenues will be, where it is going to find the revenues. It is interesting to some of the folks who are here tonight to take a look at it. It has everything from the personal income tax to the retail sales tax. I venture to say that no one in here right now could tell us what we are looking at in terms of revenue. They stand up and say we need more revenue. When it comes to looking at the big picture, none of them can tell us how much we are getting out of the tax revenue in this province or even where the revenue comes from.

It comes from the personal income tax, the retail sales tax, the corporation tax, again an area that the Treasurer says he is going to increase. At a time when we have people fleeing across the border with cross-border shopping, when we have a mass exit of businesses and individuals leaving because this province has become like an economic Siberia because of the taxes, this Treasurer, in his wisdom, says he has a solution. His solution is to increase the taxes more. The last thing we need in this province is more tax increases. The Treasurer stands up and says: "We don't have any money for this. We don't have any money for the programs." People are leaving left and right from

this province and now what we are going to do is increase the taxes.

The people of this province—again, I will not speak for a lot of the areas, but the people of Oakville South and the fine Burlington portion of my riding repudiated that approach of tax, spend and borrow. This government is going ahead with that same approach. That is why we have in this day and age this cynical approach to politics, where politicians get in and—in the last election campaign it took the now Premier, I guess, about half the election campaign. He finally said: “You know what? Mike Harris is right. Your taxes are too high and it is David Peterson’s fault.”

That happened about halfway through. He came to this revelation. But do members know what he said? “Don’t worry, we can afford all the programs that are out there. And guess what? We can even afford \$5 billion more in our Agenda for People.” As he told every group: “There’s somebody else out there. They’re not paying their share of the taxes and we’re going to get them. We’re going to get those people who are hiding in the weeds out there, not paying their fair share of taxes.” It was interesting that when he got off the bus eight or nine times a day, he never got off to the people who were going to pay the taxes, because everybody who was going to pay was anybody other than the people he was talking to at that time.

Do members know what? Everybody wanted to believe him. Even I wanted to believe him. I wanted to believe that there were some people out there, that we could have more money for all these programs and somebody else would pay, that there was somebody else who was not paying his fair share of taxes in this province, but the fact of the matter is that 14 months later he has found out very simply that there is no somebody else out there. In this province right now, which is the most heavily taxed, they are scurrying around, searching all areas.

I thank the Premier. He has sent a note saying he is reconsidering the tax increases. No, that really was not it. I only wish it was.

So there he was. He got off the bus every day and said, “Don’t worry, somebody else is going to pay the taxes,” the simplistic approach everybody wanted to believe. Then he got in here. I have been very critical of the Premier and the Treasurer. I honestly believe some of the members thought that the money was going to fall out of the big chandeliers in the Legislature, that somewhere along the line somebody had tucked millions of dollars up in the fine corners and that they were going to come in as socialists and pull the plug and it was all going to fall down and the money was going to be there.

Some of the members honestly, truly believed that. Some of them did not even know what a quarterly financial statement by the Ministry of Treasury and Economics was. Some of them did not even know what they were promising during that period of time, so I cannot blame them. They are learning now and we are trying to educate them. I know they are all listening intently and some of them may even be learning something. The Treasurer has been around for 20 years. The Premier, who is a Rhodes Scholar, should have, by any stretch of the imagination, known what was happening, but he made the promises anyway.

During that period of time it was ironic that he then called the Premier of the day, David Peterson, a liar. He said he was a liar for the reason he called the election campaign. Then he went out and made promises to every individual. He went around and said: “You can have what you want. You can have what you want. You can have what you want.” He promised the nurses more money. He promised the day care workers more money. He promised the environmentalists more money. He was going to clean up the beaches. Billions and billions of dollars to clear up Lake Ontario. “We’re going to do it. The money is going to fall out of the sky.” Very clearly, Bill 86 is what the money is going to be about.

Mr Tilson: Now the sky is falling.

Mr Carr: Now the sky is falling. The beaches are not getting cleaned up and the government is scurrying for every last penny. When we look at the tax in the overall scheme of things, for those members who do not know, we are looking at a budget of—this is a statement that is old because we have got the new ones. I am looking at the June 30 one. On September 30, 1991, the total revenue we were looking at was \$43 billion. The tax that comes from fuel tax, which is part of this Bill 86, the Gasoline Tax Amendment Act, which they are going to get to pay for all these programs, represents \$1.6 billion. But they are still going to increase it. They are going to increase the taxes at a time when the people of this province are leaving.

Since 1985 we have had approximately 50 tax increases in the province of Ontario. Very clearly, all the programs out there cannot be paid for by any increased taxes, because these increased taxes will only mean more people will find any means of avoiding the taxes by going across to Windsor and Buffalo. The vast majority of the people in this province are within a period of time where they can do that. The government is going to increase the taxes. Can members guess what is going to happen? The amount of revenue they are going to get is going to go down.

I still think we should check and see where the Treasurer got his degree. Apparently he has a degree in economics. For this Treasurer to stand up and say there are going to be more tax increases at a time when there are going to be decreased revenues by doing that is nothing but voodoo economics. Here we are with this tax; \$1.6 billion comes from this tax and they are going to try to increase it.

They are never going to have any opportunity for tax relief in this province until they start controlling spending. My friend the member for Wellington talked a little about that. I think it is helpful as we look at some of the areas of this Bill 86. Of course, the Premier gets up and, again attempting to be very simplistic, says: “There’s nothing we could do. The big bad Liberals left us with this bad financial situation.” He is half right. They were big and they were bad and they left them with a bad financial situation.

But the problem is that the government drove the private sector out of housing. Last night, the former Minister of Housing stood up and said, “Well, what would you do?” We would not bring in bills like Bill 4, which is going to drive the private sector out of rental unit production in this province. If we look at it and we see where the money is

being spent, it looks like a rocket taking off. For those members who have not had a chance to look to see where the money is being spent, they should take a look at housing and see where the spending is going in housing. It looks at a rocket on a graph taking off when we see the amount of spending.

In 1985, 80% of the rental units used to be built by the private sector and 20% by the public sector. That is now reversed. Under the Liberals it went 80-20 the other way and it is going to be probably less as we go into it. They say there is no money. As my colleague the member for Dufferin-Peel pointed out ironically, the private sector, which when it produces something, does it faster, better, cheaper and with no expense to the taxpayer, is being thwarted, pushed out and penalized because it does not fit in with the trendy doctrine political of both the Liberals and the NDPers, who as the government are the only ones who can do anything properly.

In the area of housing, the government pushed the private sector out. Then it increased the taxes. It is only going to hurt some of the poor, the disadvantaged and the seniors out there because they are the ones who cannot afford to get a new car that may increase some of the mileage.

Another area we looked at in terms of spending is day care in this province. This government said nothing could be done to avoid this deficit and then it tried to go out and throw the private sector out of the day care business. In some areas, I think the folks whom we met with during that period of time were telling us about a case in Sudbury.

If my memory serves me correctly, the lady said they spent \$1.1 million in Sudbury putting in a non-profit day care centre when there were spaces available in the private sector. That is why Bill 86 needs to come about. Bill 86, the Gasoline Tax Amendment Act, needs to come in: because they have penalized, thwarted and shut out the private sector.

2030

We have tried to be practical. They can say all they want, that it would not have mattered what government was in power. Quite frankly, we told them of other areas where they could save. They would not need to bring in Bill 86, the gasoline tax, if they had been able to control expenditures on the public service in this particular province, which went up 14%. The increases were anywhere from 5% to 11%, but they added all these new people as well, so when you look at the payroll of the public sector in this province, it has gone up since 1985 by about 10,000 new civil servants.

In one year, during a recession, the amount we paid for some of the public service people in this province went up 14%. At a time when General Motors is thinking about closing down because it is worried about having even any type of money coming in, this government spent 14% more. Then they say there is nothing they can do. There is nothing they can do with Bill 86. They have to come in with a gasoline tax. Nothing could be further from the truth. Until we control the spending in this province and get our spending under control, there will never be any opportunity for tax relief in Ontario.

As has been pointed out, we outlined in about 32 pages some of the things we would do. We talk about how we

would bring the private sector back into housing, into day care. We would put caps on some of the wages during this period of time. As we all know, we put a cap on ours and virtually froze them. All we are asking is \$1 billion—that is with a B—that would have been saved, yet what do they do? We have Bill 86, an increase in taxes.

The total amount we are receiving in taxes right now from the gasoline tax is \$1.6 billion. We could have saved \$1 billion and not needed this outrageous tax increase if we had had the political courage to make the hard choices.

As I look around and see this government, it did not make the hard choices, although now I think it is. Here is a party that has been driven by ideology and is now confronted with reality. One year later, we have the Treasurer of this province saying: "Guess what, folks? We're in trouble. We're going to have to cut back."

What did we say one year ago? "You are in deep financial shape." I think the euphoria of the victory went to their heads and when the transfer payments came it was like: "We won. Here is the pay day to everyone." They were happy. The transfer payments came out and the hospitals got 9.7%, the municipalities got 7.8%—no, the municipalities got 5.7%—the school boards got 7.9%. They were just happy to be alive and governing in Ontario.

We heard from a fine former member here, Richard Johnston, who is now with the colleges, and he said, "We are expecting zero to 2% in transfer payments to the colleges and universities in this province." He said that. As my colleague the member for Scarborough-Agincourt said, "I never thought I would see the day when a New Democratic member like Richard Johnston would ever be accepting zero to 2% to the colleges and universities in the province." But he did it. Then when they come out with 4%, they say, "Oh boy, that Floyd. We were expecting only 2%, but that Floyd is looking after us. He gave us 4%."

They did not make the tough choices. I suspect as we sit here maybe Mr Johnston, who at one point I guess was a senior adviser to the Premier—he said it. Of course, he was at the left end of the spectrum, even for the NDP. He was so far left, he was almost on the other side. Here is this guy saying, "We are expecting only zero to 2% because things are bad in Ontario."

What a change from the summer of 1990 when the Premier got off the bus and said: "How do you do? What would you like? Here's what we're going to give you." To everybody who walked up, with no regard to whether anybody could pay, there he was, the Rhodes scholar, this brilliant individual promising anybody anything he wanted to hear to get elected. That is why we have the problems we have in this province today. We have a problem because, unfortunately, special interests that were there believed the man when he got off and said, "We're going to give you what you want."

Unfortunately, I do not think they heard his speeches. They heard only the ones where it affected them, and they honestly and truly believe him.

Now as we sit here today we have a Treasurer who says, "You've got to watch out, because the transfer payments are going to be very weak." Well, they are going to be weak, that is for sure. They are going to be very weak.

There are some other things that could be done. I listed them and I had the fortunate pleasure of talking about the sunset clause that I introduced that would have basically said any board or commission spending would have a review to streamline or improve or terminate the program. But this government voted against it. They did not think that was a good idea. They are not going to control expenditures. A year from now they will probably come back and say: "You know what, Gary? I wish we'd voted for that."

We tried to be constructive. We tried, as we often do. We think: "What are we going to do for a private member's bill? What can we do?" I tried to be constructive, researched all the facts on it, presented it in not a bad fashion, hopefully, and what did they do? They did not look at it. They said: "No, that isn't the way to do it. No, we can't do that. We'll increase the taxes. That's the way to do it, Bill 86. We'll find some more revenue. It's going to fall out of the chandeliers. We know there are thousands up there. It's just hidden there. It's been hidden by the previous governments, tucked away in a mattress somewhere." Very clearly, the people are being hurt by this.

We talked about some of the other things. We talked about some of the other provincial efforts to control restraint, some of the things that were announced. Some of the other provinces in fact have reductions in the number of civil servants; we have had an increase of 10,000. During that period of time, 1985, the federal government has reduced the civil servants by about 13,000. In this province we have increased it by almost the equal amount. So all that has happened is every civil servant got on every train, plane and Greyhound bus and went from Ottawa to Queen's park and got a job. The problem is, very clearly, there is one only taxpayer in this province.

All the levels of government, including the municipalities, blame the provincial government and say it is all its fault for downloading. The municipalities blame the federal government. The provincial government blames the federal government. Everybody blames the federal government. Every level of government blames the other level of government with what I call mindless finger-pointing. That is what it is—mindless finger-pointing.

When I went to some of the all-candidates meetings for the municipal election, they all got up and continually rattled on about the programs out there. I was going because I wanted to hear from some of the people out at those meetings, what they thought about Bill 86, the gasoline tax amendment. The people were saying very clearly they do not want tax increases, but the municipal politicians of the day blame the provincial politicians, the provincial politicians blame the federal level, and there is going to be no solution by taxing the people of this province, because quite frankly what the government gets in terms of taxes with these bills is very, very little.

We talked about the fact that some of the things the other provinces have done, very clearly, are going to be disruptive to this province.

When we talk about spending, I cannot leave without talking very quickly about the big D, the deficit in the province of Ontario. Let's put it in perspective. The deficit of this province will cost us \$15,000 a minute in interest

payments by the end of this government. During that period in 1985 when the Liberals came in, it was about \$30 billion. To April of this year, I guess, it is projected to go to \$50 billion and is expected to double over the next four years. The interest payments alone are going to cost us close to \$1 million an hour.

We sit here overtime from 6 till midnight, about six hours. We speak six extra hours in this Legislature as we debate Bill 86, the gasoline tax amendment, and during that period of time the province of Ontario, not to pay for health care or the environment or education, will spend \$1 million an hour, or a total of \$6 million, just to pay the interest on the provincial deficit alone—\$6 million in six hours. I want to tell members, that is why we need taxes like this: because they cannot control expenditure, they cannot control their own costs, so as a result they are scrambling around trying to tax all the people of this province, who are leaving in droves, going across the border, doing their cross-border shopping, because they will not take it any longer.

I will sum up. I know I have gone on too long, and I guess I would like to leave a little bit of time for my friend the member for Etobicoke West, but I will continue on a little bit, since I see he is not here. Oh, yes, he is. I will close up and say this: We cannot speak for other ridings in this province, but we can speak for our own ridings. I want to be unequivocal and very clear. The people of Oakville South and the Burlington portion of my riding say: "No new taxes, Mr Treasurer; no new taxes, Mr Premier. Bill 86 is no good. We want no new taxes in the province of Ontario." I will stand up and I will continue to carry that message forward until this government is either defeated or listens to me.

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Mrs MacKinnon: During my campaign, I said I would stand up for Lambton. I have got to stand up for Lambton county tonight. Never, in all the time that the honourable member for Oakville South spoke, did he once mention what this extra tax could do. It will keep up the best medical system that we have in Canada. It will keep up the best education system we have in Canada.

He complains that somebody did not get his or her knee for a year. It is no wonder. We have not got enough doctors to do it. There are not enough specialists. I really must say, I wish just once that one of the parties opposite would refer to the fact that we do have good medical services, but they need to be improved. We need more specialists so people do not have to wait a year for their knee or their hip or whatever it is.

I just wish they would once remember that some day they are going to be 65-plus and they are going to need a doctor and they are going to need a specialist, and, by gosh, they want it paid for.

Mrs Y. O'Neill: In my capacity today as Revenue critic, a piece of paper came across my desk that was entitled Community Education and Consultation Program Status Report. This is to do with the animation program of the Fair Tax Commission.

The bottom line of this paper says they are going to have as their goal developing organizational mechanisms that will encourage communities to dialogue with the Fair Tax Commission. We do not need animators in our communities to talk to us about Bill 86 and the new gas tax. I have had all kinds of people talk to me in all kinds of places about Bill 86.

The really difficult thing for us in the opposition to place in our minds at this moment in December 1991 is that the second phase of this tax could be prevented, that there is freedom in this government not to apply the 1.7-cent increase effective January 1, 1992. This tax, for every one cent, is costing the OPP \$200,000. Second, it is costing truckers. Third, it is costing every single Ontarian, particularly those who have no option of public transportation, every single day.

This tax is regressive. I do not need a consultation or education process in my riding to have people discuss Bill 86 with me.

Mr Tilson: I would like to, first of all, compliment the member for Oakville South on the wonderful speech that he just gave this House. I think the people of Oakville South and the people of this House certainly appreciate the very good thoughts that he put forward towards this dastardly bill.

I think the issue that he raised, specifically with respect to past municipal elections that have gone on, is that the people of this province have simply had enough. They have had enough taxes. They have had enough property taxes. They have had enough gas taxes. They have had enough of all the various taxes. The worst possible time to raise taxes is now, and that is what the government is doing. I will say, with all the unemployment, the businesses that are leaving, the business that are going bankrupt, the people who are leaving this country, the government could not have picked a worse time to raise the taxes.

The previous speaker talked about cancelling this tax that is going to come forward on January 1. I would support her on that. Not only that, they could cancel the tax that was put forward on April 30, because that is a total of 3.4 cents. If this government had any guts, that is what it would do. I do not believe that it will. I think they are trained to vote on what is being put forward by this government.

The Treasurer tries to tell us that the recession is almost over. I do not know how he can say that when people are going bankrupt, when people are losing their homes, when people are losing their jobs around this province. It is because of taxes such as this gas tax that that is all happening. There is no investment in this province. There are more bankruptcies, there is more unemployment and it is because of the policies put forward with respect to this specific tax.

Mr Speaker, I thank you and again I think we should congratulate the member for Oakville South on his fine presentation to this House.

Mr Hope: It is my pleasure to stand up here today and to talk on some of the comments that were made today. There is a small businessman in my riding by the name of John Stowe. He has a car dealership there. We were talking one afternoon, just having a general discussion on what has been going on. He cannot understand why the Tories

and the Liberals stand today, when they were the ones who caused most of the devastation to the small business community in their area.

I hear the members opposite get up with their little signs—it is probably the first time they have ever held a sign. John Stowe who is in my riding, a dedicated businessman, has been very dedicated not only to the community that he serves but also to the people who work for him. But I sit there and I hear the Liberals criticize about taxation, when they introduced the employer health tax, which devastated small business. I listen to the Tories, and the Tories are saying it is the worst time. I remember 1980, 1981 and 1982 when the last recession was there. Then the coffers got a little better, but the coffers got better for the Liberals, and when they got better for the Liberals what did they do? They filled their pockets and offloaded it to the municipalities, which increased property taxes of the small businessman like John Stowe.

We hear the opposition stand up with their two-hour preamble to a speech and try to get to a point, when we ever find out what the point will be about taxation. Taxation is not a pretty thing for a lot of people, but there were comments, and I am very confident of the Fair Tax Commission, because there is an individual on the Fair Tax Commission like Neil Brooks. He is far from being a New Democrat, but he is out there and he is working to try to straighten up the mess of the Tories over here. They talk about, "There's no good time for taxes." I wish they would talk to the federal government, which implemented a devastating tax on a lot of the people of Canada.

But one of the important things is that we have to straighten the mess up. We are not going to straighten it up overnight. It took 42 years of them to implement the tax, and it took five years for them to destroy it.

The Acting Speaker (Mr Villeneuve): Thank you. We have now had maximum participation. The honourable member for Oakville South has two minutes in response.

Mr Carr: I will be fairly brief to wrap up. I just wanted to comment and thank the member for Dufferin-Peel for his fine comments on my talk this evening. I appreciate that.

To the member for Chatham-Kent, I say that as I sit back and reflect on that car dealer I look back, and it is kind of ironic; he talks about the Conservatives. When we look across here some of the young people were not even able to vote during that period of time, going way back. Certainly my friend the member for Wellington was probably barely able to vote during that period of time.

But do members know what we did during that period of time, when the problems were there for the car industry? What we did is we reduced the taxes and it spurred an increase. They dropped the taxes on the car dealership in the early 1980s when the recession was there and guess what it did? We reduced taxes and it spurred the number of sales. It spurred the number of sales by reducing them. That is how he gets people to buy, by reducing the taxes, not increasing them, I say to the member for Chatham-Kent, who does not understand that or appreciate it. If he wants

to help that individual, what he should do is he should help to reduce the taxes that are out there.

It is interesting that he talks about the car industry. The president of Ford, after the last budget came in, when they put in the gas-guzzler tax, said: "The St Thomas area plant that has three shifts that are going perfectly—what do they do? They tax the Grand Marquis, the one thing that is selling. Three shifts, we are doing terrific. What does Floyd Laughren do? He turns around and he taxes it." He said, "We put all that money in that advertising campaign. It is selling well. What does Floyd Laughren do? He comes along and puts on an increase and ups it \$1,800 on something that was selling very quickly." He said, "Mark my words, if that doesn't eliminate it, the people of St Thomas will be laid off and it will be a direct result of Floyd Laughren and Premier Rae." I am glad I fought that tax as well.

2050

The Acting Speaker (Mr Villeneuve): Mr Laughren has moved second reading of Bill 86.

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Call in the members.

Order, please. I have correspondence addressed to the Speaker of the Legislative Assembly: "Pursuant to standing order 27(g) I request that the vote on second reading of Bill 86, An Act to amend the Gasoline Tax Act, be deferred until 5:45 on Monday, December 16, 1991."

Vote deferred.

RETAIL SALES TAX AMENDMENT ACT, 1991

LOI DE 1991 MODIFIANT LA LOI SUR LA TAXE DE VENTE AU DÉTAIL

Mr Johnson moved, on behalf of Ms Wark-Martyn, second reading of Bill 130, An Act to amend the Retail Sales Tax Act / Projet de loi 130, Loi modifiant la Loi sur la taxe de vente au détail.

Mr Johnson: This bill, An Act to amend the Retail Sales Tax Act, implements the changes announced by the Treasurer in his April 29, 1991, budget and his statement of June 24, 1991. The bill replaces the tax on fuel-inefficient vehicles with the new tax for fuel conservation.

The previous tax was meant to discourage people from buying vehicles which had high fuel consumption. The new tax applies to an extended range of vehicles, but also encourages people to buy fuel-efficient vehicles through a \$100 tax credit. The tax will apply in various amounts, depending on the vehicle's fuel consumption.

New passenger vehicles, which consume six or more litres of fuel per 100 kilometres of highway driving, will be subject to the tax, as well as new sport utility vehicles consuming eight or more litres per 100 kilometres. Light and heavy duty trucks, vans, buses and campers will be exempt. Specific vehicles subject to the tax or the credit will be listed in a regulation.

Currently, the Retail Sales Tax Act exempts status Indians living on reserves from paying retail sales tax on goods and services. This exemption applies to purchases of tangible

personal property and taxable services intended for use by a status Indian on a reserve. The purchases must be made on a reserve or delivered to a reserve. This amendment will extend the exemption to include similar purchases made by Indian bands and band councils.

This bill also contains a number of technical amendments required for day-to-day operations under the act. The amendments which I am presenting today will help our government promote environmental awareness and will ensure that tax exemptions are applied fairly to all Ontario taxpayers.

The Acting Speaker (Mr Villeneuve): I wish to thank the honourable parliamentary assistant for his opening remarks. Questions and/or comments.

No questions and/or comments. Further debate on Bill 130.

Mr Bradley: I am depressed to speak on this particular bill because it represents an assault on the auto workers of the province of Ontario, the likes of which I have not seen in a good many years. I am surprised particularly that a bill of this kind, particularly the original bill—this is a retreat, of course, from the original bill after all the public pressure put on the Treasurer by those of us in opposition. He retreated from his original draconian piece of legislation which would have ended the automobile industry in the province of Ontario, retreated to a position which, in the midst of recession, is still worth the condemnation of all objective and fairminded people in the province.

This is characterized as some kind of a gas-guzzler tax, or an amendment to the Retail Sales Tax Act. Whatever name you want to use, it represents a tax on the auto workers of the province of Ontario. Now, the Treasurer attempted to disguise this as an environmental tax, but I remember last evening when the member for Renfrew North, who sits immediately to my left in the Legislature and is the deputy leader of the Liberal Party, talked about another tax and the Treasurer—in 1988, I believe it was—commented on an increase to the gasoline tax which was put forward as an environmental measure by a previous government. He suggested, and I do not have the exact quote, that anyone who would suggest that the tax could be construed as an environmental tax would be deceiving the House. That was as close as you could come, I think, to breaking the rules of the House in terms of using unparliamentary language, but he did use that strong language.

This evening, I will repeat for this particular bill what the Treasurer said, that I think anyone who would try to portray this as an exercise in environmentalism would indeed be misleading the House. So I know no one will try to portray it in that light.

Essentially, this is a tax grab. The Treasurer in his early days spent so much money—the Treasurer and the Chairman of Management Board did not take the necessary time, effort and energy to examine the individual expenditures of each of the ministries to determine which expenditures could be trimmed, which programs in 1991 were no longer relevant, which new programs might be postponed, and which might be abandoned completely. Instead of doing that, the vault was opened and the various cabinet ministers charged into Management Board. Their civil servants, who

are eager to see many things done in the ministry, advised them on some of the new things the ministry might need at that time, and instead of anyone exercising any control at all, we had in effect the vault opened and the money pulled out of that vault rather rapidly.

Mr Conway: No money for the Golden Helmets.

Mr Bradley: The member for Renfrew North says there was not even enough money left for the famed Golden Helmets of our Ontario Provincial Police. But they did still have to tax because the deficit got way out of control, close to \$10 billion, and they knew that next year the deficit is projected at some \$9 billion, the year after around \$9 billion, and the year after that about \$8 billion. So the Treasurer said: "Where can I get the money? Why don't I, because it's fashionable to do so, bring in an environmental tax or at least one that I can disguise as an environmental tax?" And what might the target be? Well, the Treasurer recognized that we were in the midst of a recession. Certainly, members from the rest of the province who represent communities where auto workers reside and auto parts manufacturers are located and their workers reside would know the automotive industry today and at the time that the tax was implemented in the province of Ontario has been facing unprecedented competition from Mexico, from the United States and from offshore companies.

Mr Dadamo: When did you become a champion for the auto workers?

Mr Bradley: As the member asks, long before he was ever in this Legislature, I stood up for auto workers and all kinds of workers in the city of St Catharines and in Ontario. The member can take a lesson from that and ask the auto workers of St Catharines who stood up for them. They will tell him who stood up for them over the years.

Mr Dadamo: I'll ask them.

Mr Bradley: The member should do so. He should ask the president of the union who stood up for auto workers in St Catharines and other workers in St Catharines, and he will find out.

Interjections.

2100

The Acting Speaker (Mr Villeneuve): Order, please. Interjections are out of order, please. The honourable member for St Catharines, please address the Chair.

Mr Bradley: Obviously there is some sensitivity to the fact that the government of which the members from Windsor are members is putting a tax on auto workers in this province. I can understand that uneasiness because I have some auto workers in the city of St Catharines who, I recall, had some rather colourful things to say about it when the tax was brought in. This is not the member for St Catharines saying this. This is members of the Canadian Auto Workers union.

I quote from an open letter to the Premier and the Treasurer from General Motors Local 199 bargaining unit in St Catharines. The letter said, "Lower emission standards are the answer to saving the environment, not higher taxes." I could not agree more.

It also said GM workers' jobs in St Catharines could be threatened because they produce the V-6 and V-8 engines for vehicles that are subject to the tax. "Auto workers, as individuals or through their unions, played a major role in the election of the government and contributed tens of thousands of dollars from their wages to that end. We don't expect special treatment, but we do expect fair treatment and not to find our jobs threatened by ludicrous tax policies."

That is what the Local 199 bargaining unit had to say, and I agree with it.

There is another person, and I must compliment him today, because Mr John Clout of St Catharines has received a promotion and will be taking on additional responsibilities for the Canadian Auto Workers here in Toronto. Mr Clout has long worked for people at General Motors as the president of Local 199 on occasion and as the chairman of the bargaining unit of Local 199. I want to quote Mr Clout, who, when this tax was introduced, had the following to say:

"While I still hope for some good things from this government, its stupidity and incompetence is quickly leading me to lose faith, as I know it is many of our members. This government, and in particular our local MPPs, had better understand that we are workers and unionists first and NDP members or supporters second. So they better get their act together and rescind this tax" and put it where it belongs.

John Clout was right.

Mr Mammoliti: He doesn't have any clout.

Mr Bradley: There is an intervention from the government side. The member for Yorkview says: "He doesn't have any clout." The member will find out that Mr John Clout has an awful lot of clout in not only St Catharines, not only with the Canadian Auto Workers, but with the Canadian Labour Congress and with the government of Ontario, because, as he stated, he is an individual who will represent the people in his union first and a political party second. I admire an individual who will do that.

Interjection.

Mr Bradley: I wish to continue. The member for Chatham-Kent is attempting to make me smile by suggesting certain things on the other side that I would not want to put on the record. But that was a quote from Mr Clout, who does not pull any punches when it comes to this.

He has further things to say. I remember quoting him on May 14, and he said the following:

"Imposing this tax at this time on an industry that represents the industrial base of our community and province and which is reeling already from the free trade agreement is mind-boggling to say the least, and this from a government that draws its support from workers' wages and votes. One can only assume that our policymakers are a bunch of incompetent so-called intellectuals who haven't got a clue of what goes on in the real world of industrial labour."

As I indicated earlier, he goes on to say, "While I still hope for some good things from this government, its stupidity and incompetence is quickly leading me to lose faith."

This was the reaction of people in the trade union movement who recognized that this tax, which was imposed in the midst of the deepest recession Ontario has been in

since the Depression of the 1930s and at a time when we are facing unprecedented competition, was an act which could only be described as foolhardy and damaging to the automotive industry and to those in the automotive industry who rely on it for the various jobs.

When I would ask the Treasurer questions, he would say, "Well, you know, you used to be the Minister of the Environment. You must agree with this kind of tax." Anybody in the province who recognizes what the best solution would be would have followed the suggestion I made to the Treasurer at that time. What I said to the Treasurer was, "If you want to achieve both ends—there are three things you can achieve. If you want to achieve greater fuel efficiency, if you want to achieve better emission controls and if you want to achieve a bolstering of the automotive industry in Ontario, what you will do is cut the sales tax from all vehicles sold in Ontario."

That has the following effects. First of all, with the better emission standards the new cars have, we have a situation where the air is going to be cleaner. If everybody in the province had a new vehicle or was somehow encouraged, whether through tax incentives or perhaps outright grants, to purchase a new vehicle, we would have in Ontario much cleaner air.

Second, those of us who used to drive the old cars in the mid-1970s remember that those cars were essentially fuel-inefficient. The car was fuel-inefficient because it got, say, nine miles to the gallon. It was a large vehicle. The various controls on it, the various extra items on the car, caused it to be fuel-inefficient. Along came the oil crisis and we saw much better efficiency so that today, the same vehicles that years ago would get very poor mileage get good mileage.

We have a situation where we save energy. We have a situation where we have better emission control standards, and we would have a situation, if everyone were encouraged to buy a new vehicle, where we would produce more jobs for Ontario.

The argument was made: "Well, you know, this does not affect very many people in Ontario. Don't you realize we make the following cars?" Those of us who represent communities which have auto parts manufacturers in them, such as General Motors in St Catharines, Hayes-Dana in St Catharines and Thorold, and TRW in St Catharines, would recognize that we in Ontario make parts for those vehicles. When there is a discouragement through a new tax to those who wish to purchase vehicles, and obviously there are not going to be as many parts made, therefore there are going to be layoffs.

For the life of me, with all of the—I know the problem. One of the problems is budget secrecy. I am sure that if the Treasurer and the people in the Premier's office who run the show over there had consulted with the member for Chatham-Kent and the members for Windsor and some other members who represent areas where there are large auto parts manufacturers or there are dealerships, if they had consulted widely before advancing this tax, they would not have brought it forward.

I cannot believe that people who know what goes on in those plants would support a tax of this kind. Once he

brought it in, of course, they have to rally around the government, and I understand that. That is something that happens.

My friend the member for Lincoln is entering the House at this time. I am sure my friend the member for Lincoln might be considering voting against this tax, because what can the Premier take away from him now? He cannot take away his integrity. His integrity is intact because he voted against the tax on tobacco. He used to work in General Motors. This is what John Clout is talking about when he says, "A lot of people who make these decisions have never worked in a plant."

Bud Germa, the former member for Sudbury, used to have a name for them that I do not think I can use in the House.

Interjection.

Mr Bradley: The member for Renfrew North says I cannot use it. The first thing was "academic" and the second was—

Mr Conway: Blank heads.

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Mr Bradley: Something else, something heads. Anyway, that is what Bud Germa used to say about some of his colleagues who he thought were phoney intellectuals in the NDP caucus. I saw him at the special tribute to the Treasurer. There was a 20th anniversary at the Caruso Club in Sudbury. I saw Bud Germa there. I was pleased to see him and I recalled to him at that time his statement about some of his colleagues. I assured him that this statement would still apply today to those formulating the tax policies of this province.

Mr Conway: Not Bob Rae.

Mr Bradley: He may have been referring to the Oxford-trained Premier who referred to me as a neo-isolationist.

Mr Conway: What would Bud Germa say of that?

Mr Bradley: I would not want to say what Bud Germa would say of that, but I knew what an isolationist was. The member for Chatham-Kent is driving home. I wish him well and I know he will implore his Treasurer to withdraw this tax when he comes back on Monday. A neo-isolationist: I thought, "Where would that term come from?" I was a history teacher so I remember what isolationist was, but a neo-isolationist? Then I remembered the Premier had been to Europe. It was a lovely trip to Europe. He was in Paris, Oxford, London and places in West Germany. I think he was there as well. This is while our people were in London, Ontario, Paris, Ontario, and Oxford, Ontario.

Mr Conway: In Paris, Ontario, they talk of nothing but the by-election.

Mr Bradley: Yes, the by-election is what they are interested in in Paris, Ontario, says the member for Renfrew North. The by-election has not been called yet. He referred to me as a neo-isolationist. I thought, "Where would he get the word 'neo-isolationist'?" Then I remembered that while we were debating jobs in the Legislature of Ontario, the Premier was reliving his youth as a Rhodes Scholar debating heaven knows what at Oxford. That is where he picked up the word "neo-isolationist."

Mr Conway: He's been out with Buckley.

Mr Bradley: Yes, he has been out with William F. Buckley. That was another day. All these things, coincidentally, are when the question period is on. He is with William F. Buckley debating in Hamilton, Ontario, some strange subjects because the Premier is not one to turn down a photo opportunity.

Mr White: On a point of order, Mr Speaker: I think we are all amused by the member's regaling us with the history and biography of the Premier and Mr Germa, etc. However, I believe the topic at hand is Bill 130.

The Acting Speaker (Mr Villeneuve): The honourable member is absolutely right. The honourable member for St Catharines, please refer to Bill 130 and concentrate, please, on Bill 130.

Mr Bradley: I most assuredly will do so. I am trying to reflect the views I think Mr Germa might have on these subjects, because he was a man I admired when he sat on these benches. I think he sat on that bench over there. I am just trying to remember what Mr Germa would have said about this.

Several members of the cabinet I know are worried at this time, and justifiably so, about the state of the automotive industry in Ontario. I asked the Premier last week a couple of questions about it. The reason was that I have a great fear that in my own community—and I see the Oshawa community is under some threat, about 3,800 jobs and losing a contract; I will get to that a little later. I know that workers in my community, in the engine plant, the foundry and other components of General Motors, are expressing some great concerns about their future. They really believe that, at this time when General Motors is restructuring, their jobs are really in jeopardy. They do not believe it is fearmongering to say so. We can try to pretend that is not the case, but if one walks through the plant, talks to the people as they are coming out and talks to the people in the neighbourhood, those people know their jobs could be in jeopardy.

Many people have had many years of experience in General Motors and have worked there for a number of years. Some are younger people who have just taken over mortgages on homes or started out in married life, attempting to make a go of it and put their children through school. They are afraid those jobs are going to disappear. I am not an unfair person most of the time, at least in this House. I do not say the only reason General Motors might consider closing operations in certain areas in Ontario is because of this government. There are a number of reasons. We have a restructuring taking place in North America. There is an overcapacity in the automobile industry. There is a situation where bidding takes place between various plants of General Motors. I understand the auto industry and I understand the ramifications of their experience at present and the competition they face. I understand as well what the effect of free trade might be on the general economy, although it does not apply quite as much to the automotive industry because we are protected by the auto trade pact negotiated by Lester Pearson back in 1965.

Another factor enters into it: the high interest rates which have prevented people from making those purchases. Those interest rates are down considerably now to

some of the lowest levels they have been in a long time. And of course, I consider the unwritten part of the free trade pact to be the high dollar. The fact that our dollar remains, in my view, artificially high—if it were genuinely allowed to float appropriately or if government policy were to move in this direction, it should be about 10 cents lower than it is at present and would allow us to be competitive.

There is another factor, however, because we are facing reality: why should they stay in Ontario? That is a difficult question to answer today because I look at the government—and well-meaning. I understand why people ran on the other side of the House. I know what their philosophy is; I know what their agenda is and they were legitimately elected with 38% of the vote, but that is the way it works in the province of Ontario. We cannot change the rule afterwards and say, "We want proportional representation now." It is winner takes all in the plurality type of election and I understand that.

I understand what members have stood for, but I am saying to the House today that they may have to abandon some of that to retain employment opportunities in Ontario. That is going to be hard to take, because some of the people who supported members of the government most vociferously, perhaps putting up the signs and going door to door, are going to say, "You betrayed us," on certain pieces of legislation. I am going to suggest to members that a number of people in Ontario who work in automobile plants and automobile parts plants are going to say, "Thank you very much for pausing in your program, for not implementing certain things in An Agenda for People, because we believe to do so would place our jobs in jeopardy."

We used to have laws in Ontario which were unsatisfactory to working people in this province as they related to trade unions and so on. There have been some amendments over the years. The Conservative government made some, the Liberal government made some and the NDP in opposition were strong advocates for those kinds of changes in the labour laws. Everybody in the House can take at least some credit for those changes. Certainly people in the trade union movement themselves who made representations to governments of all political stripes can take a lot of credit.

But what we face today is a different circumstance. We face a situation today where people can and will pull their money out of Ontario and invest it elsewhere. When I talk to neighbours on my street and ask them, "What is your number one priority?" their number one priority is maintaining their employment opportunity, and not only for themselves. Some of them who are a little older in age and experience say: "That's fine. Probably if a plant closed I would have an early pension and I might be all right, but what I'm concerned about are my sons and daughters. I am concerned about younger people in the community or younger people in the plant who can't take an early pension." If those jobs disappear, I know it is going to take a human toll on those people. The mayor, the members of city council and the people they represent know the devastating effect if parts of the plant close.

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I know General Motors in Oshawa is not the only industry in town, but it is the most important industry in terms of the number of people employed. So when they lose a contract to a US plant and there is a potential for 3,800 jobs to be lost, it is not just those 3,800 jobs—they are important to those people—it is the suppliers to the company and the people who work in those supplying companies; the businesses and services in the community, those who sell goods and services who are also affected by that.

It means, as well, that the individual community will not have the money to spend on the kind of social services and social safety net required to look after poor and disadvantaged people in our community.

I implore the government and I would applaud it. Sometimes I talk about retreats—the Minister of Education is retreating on a bill to do with religious education, but you can take credit sometimes for those retreats. Those of us in opposition will say, “Sound the bugles of retreat and perhaps we will have some jibes for you.” A lot of people in the province look at you and say, “At least they are looking at the circumstances as they are and not the circumstances as they would like them to be when they are making that decision.”

This government made a decision on automobile insurance. That decision was extremely unpopular with the left wing of the NDP and with a lot of members who ran on that basis, who campaigned in many elections, in some cases, on that policy. Yet I would submit to members of the government that the vast majority of the people of this province would say, “Good for you for abandoning that because it was not going to work in the present context in Ontario.”

We in opposition will point out that it is a broken promise. We will ask what that shows about the ethics of government. I suspect most people, however, in the province will say, “We want our government to do what is practically best for the people in this province, and what would be practically best for the people in this province is to withdraw this tax on automobiles in the province of Ontario.”

I look at another company in some jeopardy and it is hard because I know what is going to happen, I know the company is going to come to the union and say it wants concessions. One of the hardest things a union has to do is determine whether the company is bluffing and whether, if it grants concessions, in the long run those jobs are going to be there in any event. Talk to anybody in the trade union movement and they will say is one of the toughest things they have to do. They have to represent the workers. They have fought hard over the years, sometimes having to go out on lengthy strikes to win some of the good things for their workers in the plants. To ask them to give those up, to make concessions on the threat of a company pulling out, is hard for them to take and sometimes hard to sell to their membership. I do not envy their position at the present time. I am sure they will evaluate the situation as well as they can and make their decision and, indeed, that is their decision.

There is a decision this government can make—a number of decisions:

First, this government can withdraw taxes which are going to make this a jurisdiction in which people do not want to maintain their investment.

Second, the government can withdraw, or at least postpone, the implementation of legislation which is going to discourage people from staying in Ontario.

Third, they can withdraw or amend regulations which are going to drive people out of the province.

Fourth, they can tone down the anti-business or anti-industry rhetoric that sometimes emerges.

I know the Premier has been trying to tone that down. The Minister of Industry, Trade and Technology has been given the responsibility to maintain a good relationship and cultivate business in the province. He will certainly want to do that and is attempting to do that now.

All those things have to be done because it is one more component. If it is the last thing, and you ask some of the people what would actually drive them from Ontario—because in fairness you cannot say it is just the NDP government, can you? They will say it is probably the last straw, or they may say it just happens sometimes—

Mr Wiseman: Canada can't compete.

Mr Bradley: The member never listens. We are in the midst of an important debate and the member is busy trying to score partisan points. I guess that is all right.

Mr Wiseman: You do it. I learned the heckling from you.

Mr Bradley: The member for Durham West wants to score his political points this evening. That is fine. I will just say that it is all his government's fault. The only reason they are leaving is because of the NDP government. In opposition, that is the easy stance to take.

I am trying to tell the member that is not the only reason. I am trying to tell the people of Ontario that is not the only reason. But the government does not have to give them one more reason to leave the province. That is all right when you are a teacher. I am a teacher. When the economy goes bad, I still have a job. When the economy goes bad, I can still get a raise. When the economy goes bad, I am not directly affected by it. But by gosh, those people who work in the plants of Ontario have to live week to week, sometimes day to day. They know what a recession is, even if those of us who are in the public service do not know because we are not directly affected.

I see TRW is going to be eliminating 10,000 jobs worldwide. I have a plant in St Catharines that used to employ over 1,000 people. It is down to 750 now. They cannot say in TRW that the union is driving them out. They do not have the Canadian Auto Workers. They have an employees' association. They do not have a strong union in terms of part of the Canadian Labour Congress and part of the CAW, which has been noted as being a very strong union in this province. They have an employees' association that does the best job possible for them, but they would not be considered a militant union that is forcing a company out, yet I fear for TRW in St Catharines simply because I see this happening right across North America.

I remember when the member for Burlington South was on his feet one day talking about Ford in Oakville. It was generally presumed that Ford in Oakville was going to move out of Ontario a couple of years ago. They received some money from Ontario that kept them here. It was not

necessarily Ford's investment by itself, and that move was supported by several people.

I see the Conservatives have departed. I think they are regrouping to think of what they are going to do next week in terms of what is happening in the House.

However, we see TRW facing this. Again, I look at people who have 20 or 25 years' experience and there is not another job to go to. These are people who have had a specific job over the years. They cannot pick up and go somewhere else. There are some retraining programs. That is mighty difficult. To be retrained at a certain age when you do not perhaps have the background yourself to be easily retrained becomes a difficult chore, an intimidating chore.

Therefore, I implore the government to keep this in mind when we look at the automotive industry. When I ask those questions, I know the Minister of Industry, Trade and Technology, who is in touch with these matters, understands the problems being confronted by the automotive industry in the province and is going to do his best to encourage them to stay.

The Premier said he had spoken to Mr Peapples, the president of General Motors, Mr Harrigan, the president of Ford, and officials of Chrysler. I was encouraged by an investment made by Chrysler, a decision made in Windsor. That I was happy to see.

Members on the government side may think that those of us in opposition hope for bad things to happen so we can criticize. I would like to find another reason to criticize and I am sure I can find something else. I hope things go well in Ontario. I hope I can take another issue and deal with the Premier or the government on it. I do not want to have to preside over the funeral of the automotive industry in Ontario.

That is why I implore members of the government caucus to talk to the Treasurer and the Premier. The Treasurer is a person who has a good down-to-earth knowledge of what goes on. He is not a highfalutin person who moves in some tower somewhere and is a rich person. He is a very down-to-earth person who understands people who work in factories and people who work in industries. He is going to understand what the members are saying.

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Members really have to convince the Premier and the people who sit as government advisers over there, the people who sit in the ever-expanding Premier's office and make these decisions, which often do not take into consideration what is going on in the real world. Let me tell members, every government encounters this problem of losing touch with practicality and reality.

That is where individual members of the caucus have to rise up—I do not expect in this House. It is unfair to say that, because that is not how our legislative and parliamentary system works. But I hope that when they get behind the closed doors of the caucus room and whenever they are able to corner some of the people who are advisers to the Premier, they will tell them what the policies they are developing for the party are doing to industry in Ontario.

I thought the original tax was a terrible one. I thought it was ill-conceived. I was pleased to see that the Treasurer responded and I gave him credit. I said, "If you withdraw

this tax, I won't say you retreated." He did not withdraw it, so I can still say he retreated, but I at least complimented him on moving part of the way away from that tax. Basically it is a tax grab, because he needs money. Every Treasurer wants to get money and uses various methods of getting money. But I am suggesting that a tax on automobiles for the so-called purpose of fuel efficiency is ill-conceived at this time. Members opposite should persuade him to take the tax off automobiles, persuade him to provide tax incentives for people to purchase new vehicles, more fuel-efficient, better vehicles in terms of emission controls. Members opposite should persuade him to do this. This will stimulate the economy. This will make for a better environment. This will be better for energy conservation.

I would love to see the economy booming in Ontario. It would give more revenues for the Minister of Agriculture and Food, who I know is desirous of having money to help farmers in the Niagara region. The member for Lincoln was up today asking a question. He wants to see some assistance for farmers in the Niagara region. The Treasurer does not have the money right now to provide. This stimulus to the economy, even though it would be simply in Ontario—perhaps it would be contagious and others would do it—would be very helpful in terms of getting our economy going again.

I would applaud it. I am sure the trade union movement would applaud it, because even though Bob White, who was instrumental in assisting in changing this tax, said it was a better situation under the new tax than previously, I think even he would probably prefer to see the government follow the recommendation I have suggested, providing tax incentives to purchase new vehicles so that we can maintain this industry.

Hon Mr Hampton: Jim, we're going to get your old speeches.

Mr Bradley: As long as he has looked in the legislative records. One of the things I knew when I was speaking was that they do not destroy Hansard, so I was sure to have made the same speech 14½ years ago as I have made today on this issue.

Hon Mr Hampton: Was it as long then?

Mr Bradley: It was sometimes as long, sometimes more impassioned, but perhaps not as solemn as today, because of the situation I believe we are confronting. I do not want the member for Lincoln to have to go back to General Motors to see the friends he worked with at General Motors and say, "I'm sorry the plant's closing down." Some of them will try to put some of the blame on the government and the member for Lincoln will say, "There are a lot of factors," and they will understand there are other factors, but I do not want to have to see him do that. I do not want to have to go to my neighbours and say: "I'm sorry your jobs are gone and there's nothing we can do with it. I've still got my job. I'm still in the Legislative Assembly and I guess I could be a teacher if I wanted to be a teacher."

I want to say to those people that we have a government now that understands and a Premier who understands we are down to the last inning of the game, if members

want to compare it to baseball. We have to make some serious decisions. I want our Premier to speak to George Peapples, I want him to speak to Mr Harrigan, I want him to speak to officials from Chrysler, I want him to speak to officials from the various auto parts manufacturers in this province and tell those people Ontario is a good place to invest and list the reasons why: Because the government has withdrawn unwise taxes, because it has postponed the implementation of unpopular legislation that is not measurably going to benefit working people in the province but will have a detrimental effect on investment in this province, that it is prepared to alter regulations which are going to be tough on industry and that it is prepared to tone down the rhetoric and talk in terms of welcoming business. If they do that, if they withdraw this tax, they will find that they have at least a fighting chance of retaining jobs for auto workers in Ontario and perhaps even encouraging new investment. If they do that, I will be the first to compliment them.

Mr Drainville: I want to make a few comments in the very brief time allotted to me and address them very directly to the member for St Catharines. I have to say it was a rather even-handed speech he gave in the House. I want to acknowledge that, but I want to say there are some difficulties I have with that presentation.

For instance, he says how unfortunate it would be if he had to talk to his neighbours and see that the plant they were working in was shut down because of the economic policies of the government here. He has admitted that there have been problems in the economy. We know that he is speaking about this particular tax bill and that he is against this tax bill. The reality is that the people across the floor have been against all the tax bills that have come forward. The reality is that we have to find the revenues to do the work we have to do in the province of Ontario.

Mrs Caplan: Now is not the time for tax bills.

Mr Harnick: That's right, raise the taxes higher and slow the economy down even more.

Mr Drainville: The opposition members who are now blathering on know that is true, even though they want to say all the things they are saying. As FDR once remarked, and these are words worth considering, "Taxes, after all, are the dues that we pay for the privilege of membership in an organized society."

We are indeed at a crossroads. I agree with the honourable member for St Catharines when he says that, because he is saying that we are at a point in time when the whole restructuring of the economy is affecting government, business and unions. He is correct when he says that.

The reality is also that some very hard decisions have to be made on how we are going to maintain the services the people of Ontario have come to expect. What we have decided in terms of the direction of this government is to provide ourselves with the revenues we need to do the work the people of Ontario have expected of us. So we are doing that. That is why I will stand in this House and vote with the government on this tax bill.

Mrs Caplan: I am pleased to say I have been listening very carefully to the remarks from the leader of the official

opposition, the member for St Catharines. In the years since I have had the honour and privilege of representing constituents of the riding of Oriole, I do not think I have heard in this House a better, more serious speech that contained the kind of good advice that the government should be listening to, particularly at this time.

My constituents often say to me: "Elinor, why don't you help them out? Why don't you give them some good advice or some good ideas?" What the member for St Catharines did today was a very important milestone. What he did was point out to this new government that the time for new taxes is during prosperity, that the time you increase taxes is when you are creating wealth that you want to redistribute. At this time, in this deep recession, as people are losing their jobs, as we are concerned about the prosperity of the auto industry, which has been the backbone of the Ontario economy, now is not the time to further damage a very fragile sector of our economy.

The member for St Catharines has given the members of the NDP government some very good and very sound advice. His debate was even-handed, as has been pointed out. His debate was thoughtful and considerate. Because he represents a riding which has many auto workers, he knows of the impact of this gas tax, which is purely a tax grab. He knows that will have a damaging effect on automobile jobs in parts and manufacturing and assembly. I urge the members of the government benches to take heed of the sage and wise advice and pay attention tonight.

Mr Harnick: I listened with interest to the reply from the member for Victoria-Haliburton. He talked about Ontario as being a club and taxes being dues.

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Mr Wiseman: On a point of order, Mr Speaker: I think the comments should be directed in response to the speech of the member for St Catharines, not to the comments of the member for Victoria-Haliburton.

The Acting Speaker (Mr Villeneuve): Thank you. The honourable member for Willowdale, please address your remarks to the presentation by the member for St Catharines.

Mr Harnick: As I was saying, Ontario is not a club, and taxes are not dues in the club. To treat taxes on that basis—

Mr White: On a point of order, Mr Speaker: The response is to the member for St Catharines, not the member for Victoria-Haliburton.

The Acting Speaker (Mr Villeneuve): Please address your remarks to the remarks made by the honourable member for St Catharines.

Mr Harnick: Taxes are something that governments levy on people. This government is just heaping it on the people, pile after pile after pile. They are making it absolutely impossible for the members of the so-called club to create wealth and to limit taxes and to be involved without the government creating rules and regulations for everything that everybody wants to do.

Any ability that people have to get ahead is being taken away. Everybody is being brought down to the lowest

common denominator. This government is just going to keep laying on the taxes and it is going to wonder why the wealth keeps leaving this province. I can tell you, Mr Speaker, with every tax they raise, more people are going to leave this club, and this club is not going to have enough dues because there are not going to be enough people left to generate the wealth to pay for those who need it.

Mr Hansen: My friend the member for St Catharines had a lot of good points. I listened to his whole speech. The one thing I have to say is that I worked 26 years at General Motors in St Catharines. I can tell the member that the tradesmen are the top tradesmen I know in the province.

Not only that, what we have to understand is there is a bidding process that goes on every so many years. In the bidding process, General Motors throws it out to all the GM companies throughout the United States and Canada. So it takes management. I know we have good management in St Catharines. We put good bids in on motor component parts. I know the management in Oshawa also. It is up to our management there to bid, because I know we are competitive. I see the member for Scarborough-Agincourt over there. He knows what competitiveness is. We are competitive because of our health costs, which are a lot lower here than in the United States. Not only that, I know we produce a quality product in St Catharines and also in Oshawa. If you have ever seen the autoplex there in Oshawa, it is the state of the art in building cars.

As I say again, I would like to thank my friend. A lot of names came forward; for example, John Clout. I know John Clout really well. I was surprised at the letter he wrote. He did not write a letter to me to explain that he had a problem, but he wrote to the St Catharines Standard for everyone to read. It is a funny thing that the Treasurer most likely does not buy the St Catharines Standard, so it would be nice if he sent it to the government up here.

Any time that the member for St Catharines receives a letter like that from Mr Clout and he has not copied me, I would appreciate that, because I think it is very important that all the members in the St Catharines area—the member for St Catharines-Brock, the member for St Catharines and myself—wind up knowing, and also the members from the Oshawa area.

The Acting Speaker (Mr Villeneuve): This completes questions and/or comments. The honourable member for St Catharines has two minutes in response.

Mr Bradley: I appreciate the intervention of each of the members on this particular intervention that I made on this tax. I appreciate particularly the member for Lincoln, who is knowledgeable and has appropriately pointed out that we are very fortunate to have in St Catharines, and I think in Ontario and Canada, a highly efficient, highly productive workforce and one which is competitive within the industry. Certainly that would bode well for us in terms of the future. What does not necessarily bode well are policies and legislation that governments might have at various levels that might influence this.

Here is what worries me. I had a Toronto-based analyst, Dennis DesRosiers, telling the St Catharines Standard today: "About 18% of North American vehicles are made in

Ontario. That could fall to 13% to 14% by the end of the decade. The three big auto makers are likely upset by the Ontario NDP government's socialist policies and repeated border blockades by truckers, creating havoc for the auto industry's just-in-time parts delivery program." He went on to say, "You put that all together and they," meaning GM, "might be willing to walk away from a couple of billion in investments."

I hope that does not happen, because I know we have to have revenues in Ontario. The member for Victoria-Haliburton points out that he wishes to see programs continue, as we all do. I guess there is a little divergence in view in that I believe you have to create wealth before you can redistribute it. One of the problems I see happening is that the tax base is starting to erode, and if we keep eroding it by piling new taxes upon new taxes in a recession and in a time of great competition, I am afraid we will not have any money left for the very much needed social services in this province.

Mr Stockwell: It is a privilege to stand up and discuss what is a very important tax on not just the people of Ontario but, I suppose, many industries in the province. I come at this much differently, I think, than the member previous speaking from his experience, which I thought was a very informed speech, and it was clear that more than just a simple two-hour study of the tax and the issues was at hand at this time as given by the member for St Catharines. He clearly has a background that is rivalled by few in this House and it was very interesting to hear the comments made.

Much has been made of this tax. Much has been made of it for a number of reasons. It has been made a rather interesting tax because it was the first major fallout, I suppose, that this government had with a big union in this province.

I think we should start off very clearly. Much has been made of this because it showed very clearly that the socialists, in my opinion, were very politically motivated in their budgeting and very politically motivated in their decision-making.

I think it is very interesting to note that of any changes this \$10-billion deficit budget went through, the only real substantive change that took place was the change in this tax. It did not get changed or reduced or deferred or any of those things I would have liked to see; it got changed, and rather than picking on a selective mid-sized-car market as was originally announced, under the guise of another environmental tax—I used to agree with the Treasurer when he was on this side of the House when he said anyone who tries to pass off a gasoline tax as an environmental tax is, and I am paraphrasing here, misleading the public. I think the Treasurer was absolutely right when he sat over here. Now that he sits on the other side of the House, his mind has changed, as we like to say in this party, 180 degrees in the other direction. It is interesting to note the differences and changes that took place in his conversion across the floor.

Mr Mammoliti: Are you allowed to say that?

Mr Stockwell: I am sorry, I missed the interjection from the member for Yorkview.

Mr Mammoliti: Is he allowed to say that?

The Acting Speaker (Mr Villeneuve): Overlook interjections. They are out of order. You have the floor and they will have an opportunity.

Mr Stockwell: I understand, Mr Speaker. When he is audible it is very interesting to hear him sometimes.

It is very interesting that Bob White probably had the most impact on this government and the change that took place—a minor change but a change none the less—in this government's policy. He asked the Treasurer to revisit this tax, with the eye, I hope, to reducing it or changing it in some direction. Then the big union boys filed into the Treasurer's office and they gave the Treasurer what for and the Treasurer, knowing whose drum he marches to, decided to make a minor adjustment in his budget—it may be the worst budget in the history of the province—a minor adjustment as in, I think as our leader said, it was like tuning the radio when your car is heading over a cliff.

This is what comes of his minor adjustment. Rather than a selective mid-sized-car tax, the Treasurer has decided to spread the tax out over practically the entire group of cars that are sold in this country today, and I find it offensive.

2150

As I said in the beginning, I come at this from a different angle than the GM, the Ford and the Chrysler workers do or members from the ridings that have huge plants. My riding in Etobicoke does not have huge manufacturing plants. I do not even really believe it has a tremendously huge parts plant to go into manufacturing cars. I come at it as a person who is out there trying to sell these products to the public. It is an interesting difference because the same dilemmas, the same difficulties today facing the car manufacturers, the union representatives, the parts manufacturers and the politicians who represent these neighbourhoods are also being affected by those who are closest.

Mr Mammoliti: That is where I saw you before—I bought my lumber off of you. I owe you.

Mr Stockwell: There he goes again. He is grunting again, Mr Speaker.

In fact, we are very close to the consumer. We are the people who are trying to market these products. We can feel it. I think we feel it in the sales industry before anybody feels it, because if we are not selling the product, the orders slow down, and of course when the order slow down, they simply adjust at the manufacturing end to produce fewer cars or there are layoffs and so forth.

I took the liberty of travelling around Mississauga and talking to some of the car dealerships in Mississauga and some in Etobicoke. I asked those dealers exactly what their thoughts on this new gas-guzzler tax were. We have to remember that the car business at the retail end is subject to a considerable number of taxes, more so than I think most people realize or understand. If we really follow the car business right to the end and right to the sales portion, we find with this gas-guzzler tax added in that when a dealer sells a car, any North American car, probably even a Japanese car, the government—and this is a very scary number—collects more money in taxes than the dealer actually grosses or nets out for himself.

In some cases, with the taxes that would be included, the government would have this new gas-guzzler tax, the PST, GST. It would have the air-conditioning tax; it would have the tire tax. All these taxes are compounded one on top of the other. The governments in this country, in some cases on a new car sale, would collect twice as much money as the dealer who is in fact making the sale. That is, in my opinion, a very unhealthy situation, to think that on a product that is being sold in this country the government would collect in some cases twice as much money as a dealer.

If it stopped there, if that were all the tax we paid on a car and that were all the tax that was ever collected on a car, maybe that would be acceptable. Some would say not, but others would say maybe that would be acceptable. But we must remember that the average life of a car sees it sold more than one time. It is sold in some cases twice and in a lot of cases three, four and five times. Every time these cars are sold, the taxes are once again collected for a product that was taxed properly and adjusted properly in the first place. When the government taxes a car, we are getting taxed not just on the new car sale but many times over in some cases because those cars are resold and resold.

To be perfectly clear, most provincial governments have a cash cow when it comes to new car sales and, ultimately, used car sales. Having said that, I approached this and I spoke with the dealers in Mississauga and Etobicoke. They are very upset. They are in a very difficult period. There are a significant number of car dealers who have closed their doors, and that is a very dangerous sight.

When you see a new car dealer close his doors most people think, well, there are a few salesmen out of work. That is what most people think when they see a new car dealer close his doors. This gas-guzzler tax, in fact, impacts on new car sales. But it is more than just a few car salesmen who lose their jobs. Most new car dealerships include a parts division, they include a repair division, they include an accounting division, they include sales managers, they include secretaries, clerks, a whole variety of individuals from mechanics to lot boys, to accountants, to general managers, to presidents that maybe you do not see when you first go into that new car dealership. They do exist, and they exist and they make a living through the car industry.

If you added up all the dealerships in this province and you added up all the employees in this province who work in dealerships, I am not certain and I do not have any numbers to prove this, but it would seem to me that it would be so significant it may, in fact, rival the number of people who work at one of those plants or at a couple of those plants. There are literally thousands and thousands of people who have—

Mr Turnbull: But they're not unionized.

Mr Stockwell: Well, no, they are not unionized in most cases—but there are thousands and thousands of people who are gainfully employed through new car and used car sales in the province of Ontario. So although members may see that there will be minor impacts from some of the statements across the floor, they should not kid themselves. When people look at a gas tax increase, when people look at a gas-guzzler tax increase on new car sales, these go into

making decisions on whether or not to buy a new car. That is another point that I would like to bring up, and I think the previous speaker did just that, but I would like to re-emphasize it.

When you buy new cars, you are buying cars that are environmentally light years ahead of cars that were built in the late 1970s and early 1980s. They are much better designed, they are much better built, and they are far more environmentally friendly. So every car that you can pull off the road between the late 1970s and early 1980s, up even to the mid-1980s, is doing a service to the environment. What the government should be thinking about, more so than taxing the new cars harder in the name of environmental consciousness, is how it is going to get more new cars on to the road so they are not clouding and plugging up the environment the way the older cars are.

Having said that too, it seems to fly in the face of what this government has said is their number one reason for introducing this tax. Personally, I believe the number one reason was to get more money. Now, that is a cynical—

Mr Owens: Very astute. That is very astute.

Mr Stockwell: The member across the floor says it is very astute, although his Treasurer certainly was not saying that during question period when asked. His response was that it was an environmental tax in hopes of deriving more income to spend on environmental programs. I am astute by suggesting it was a cash grab, and the member for Scarborough Centre across the floor is agreeing with me, so we obviously have a small split. Minor as it may be, we have a small split in the socialist caucus.

I think it is important that we fan out from this House, fan out across the province and ask ourselves what were the editorials across this province when they announced this new gas-guzzler tax, because I think there can be in certain instances taxes that will go down better in some areas of this province and less so in others. I did not want to leave myself in the position of only speaking from a Metropolitan Toronto or a GTA perspective. Clearly, there are issues in North Bay, there are issues in Windsor and in Kingston—well, there is a big issue in Thunder Bay—that I think are very important today to discuss and analyse.

I picked up, to start off with, the editorial from a Toronto paper. Its comments were very interesting with respect to—and that is not them, but they were also very interesting, if I can find them. It was rather interesting, the number of comments that came in from around this province from the home towns of many of the members from across the floor. They went back to their constituencies and they would come back to this House saying they really had not been hammered on these tax measures and budget-measure increases. I personally cannot believe it but they have suggested it is so.

2200

Then when I read the comments that were made in the paper in some of these instances, I thought to myself, "Either the newspapers are totally out of touch," which frankly I find a little hard to believe, "or the members are out of touch." I came to the conclusion that maybe the members were a little out of touch when it came to this particular

gas-guzzler tax because it is a tax that affects not just those people who are wealthy—it is certainly a regressive tax—but it affects those people who have less money than the wealthy, obviously.

For instance, the point was made very clearly I think from the member for Renfrew North when he said that he has a lot of constituents who have to drive in to the small towns to do their shopping, to do any number of things, and when they have to pay the extra tax, first of all on their car to buy it, which they must buy, and on their gas when they are filling up, it creates a bit of a hardship.

I have often felt that the socialists that I have known over the years were diametrically opposed to a regressive tax. They have often spoken about the municipal property tax being a regressive tax and a tax that they would not accept. If there is a regressive tax, I say to my friends across the floor, clearly that tax will have to be the gas-guzzler tax because it not only hits big cars, this tax is hitting 99% of the new cars that are produced today. It is not as if they are letting anyone off the hook, and that is a regressive tax.

Not many people today can afford to pay that new tax so exactly what happens is that this government forces an industry that is already reeling and in very sad shape into increasing the price of its product, pushing any prospective buyers away and forcing it to (a) lay off union members, (b) lay off management people—

Mr Johnson: The recession caused by the feds is doing that. Nobody has any money to buy anything.

Mr Stockwell: The comments come from across the floor that the recession does it. Nobody has any money to buy. That is a fair comment but I think members have to finish the thought. Sure, it is a tough time but there are customers out there, and in some cases, when the government slams up to \$4,000 worth of tax on a new car, it scares those customers off. The simple logic shows the member for Prince Edward-Lennox-South Hastings is deluded in his thinking if he suggests that by increasing the taxes the recession has driven all prospective buyers away.

Mr Johnson: On a point of order, Mr Speaker: The member opposite has insulted some of my constituents in South Hastings.

The Acting Speaker (Mr Villeneuve): That is not a point of order.

Mr Stockwell: I guess that was an attempt at humour, Mr Speaker, as painful as you may see it.

What that kind of deluded logic does is say, "Well, it's a recession and nobody is buying so let's up the taxes." That is simply so ridiculous and so out of touch that—

Mr Harnick: I do not believe we have a quorum.

The Acting Speaker (Mr Villeneuve) ordered the bells rung.

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The Acting Speaker (Mr Villeneuve): A quorum now is present. Would the honourable member for Etobicoke West resume the debate.

Mr Stockwell: I did want to review this issue from a cross-province relationship, so I dug out some of the

editorials from around this province. I think it is important for us to review some of the comments made by some of the newspapers around this province.

I dug out a recent editorial from the Oshawa Times. There is a newspaper in a good NDP city that voted in the Solicitor General, I believe. Their editorial went like this—some of the province's editorial writers from the Oshawa Times:

"They couldn't get it right the first time, so they got it not quite so wrong the second time. And we're supposed to be happy about it. Ontario Treasurer Floyd Laughren took back a tax designed to discourage sales of Oshawa-built Buick Regals and Chevrolet Lumina and replaced it with a tax that will discourage sales of all domestically made cars and encourage sales of a few transplant models."

That was in an Oshawa newspaper, which I think probably has a very good handle on the car industry, on what goes in to make up the car industry and on those people who are affected by increases in taxes on new cars and how they affect their industry. They said very clearly that this tax by the Treasurer is, "designed to discourage sales of Oshawa-built Buick Regals and Chevrolet Lumina," two very solid sellers in the North American market. This newspaper has said that the Treasurer should rethink his position.

I would say a paper with the substantive weight of the Oshawa Times should have a little bit of sway in this government's thinking. If they are saying that this tax is the wrong tax at the wrong time on an industry that is in as sad shape as this industry is in, it would seem to me that I would listen to this newspaper. I am sure the Solicitor General listens to the newspaper, and when the Solicitor General goes back to his electorate, which I am sure is made up of a lot of people in the car industry, the Solicitor General is going to have to defend this decision and I do not think he would like to. In fact, I am almost certain that he would not like to defend this decision, because it is a regressive tax making an industry reel in a very sour and backward economy.

The other point I would like to make is, no matter what we talk about, when we talk about any of the taxes that this government has introduced or any of the deficit numbers, the parrots from that side of the floor chirp up about the federal government. I am not a public apologist for the federal government and I am not here to defend or enhance its political agenda. What I am here for and what I ran for was to represent the people of Ontario. If they are not going to start taking responsibilities for these kinds of regressive taxes, then I do not know what the heck they are doing here.

Mr Harnick: On a point of order, Mr Speaker: I do not believe there are enough government people here to have a quorum. They are not interested in this bill, Mr Speaker.

Clerk Assistant and Clerk of Committees: A quorum is present, Mr Speaker.

The Acting Speaker (Mr Villeneuve): A quorum is present. The honourable member for Etobicoke West can resume debate.

Mr Stockwell: So we are left with a government that is discouraging new car sales, we are left with a government that is wracking the gasoline market, we are left with a government that is watching its own union people in the GM and Ford plants get laid off and it really does not care. It is a very sad day when a socialist government can see the massive kind of layoffs taking place in this province, the massive closures and the massive number of people who are out of work and it really does not care.

That is really what it comes down to, because not once in this House has anyone from this government stood up and defended this tax. Along with the gas tax, they monkey-eyed around about the federal government and its inability to control the economy. They have complained about the federal government, they have complained about the opposition, but not once during this debate or during other debates have they ever tried to defend the decision-making of their government. That is simply because their government's decision-making is indefensible; that is probably the number one reason.

To carry on, I would like to move on to the North Bay Nugget. Here is an example, maybe, of a northern paper that had something of interest to say on this issue.

Mr Harnick: Tell us a bit about the town of North Bay.

Mr Stockwell: North Bay, I am certain, is another town in northern Ontario that is having a great deal of difficulty during this recession, as many of the northern towns are. Certainly it is not helped when the Minister of Northern Development and Mines goes up north and slanders and smears northern doctors. That is certainly not helpful in this economy.

That is another reason this government—again, you can see very clearly here today that they are not prepared to stand up and defend and do the honourable thing and enforce their conflict-of-interest guidelines and those programs they have introduced. The Premier wrote what he considers to be acceptable actions that his cabinet ministers must live by. Very apparently in this House today and over the last few days, it is okay for cabinet ministers to stroll about the province, slandering and smearing doctors.

Mr Johnson: On a point of order, Mr Speaker: The speaker opposite is not addressing Bill 130. I think this is in order.

The Acting Speaker (Mr Villeneuve): That is in order. The honourable member for Etobicoke West should and must address his remarks to Bill 130.

Mr Stockwell: I was just speaking about northern Ontario. That particular issue from the Minister of Northern Development and Mines slandering and smearing a doctor from Sudbury jumped to mind. When you talk about the north, the slandering and smearing and untruths—

Mr Johnson: On a point of order, Mr Speaker: I know it was just a moment ago that I rose on a point of order and suggested that the speaker opposite should deal with Bill 130, but he continues to speak of other things.

The Acting Speaker (Mr Villeneuve): It is a point of order, and I will remind the honourable member for Etobicoke West that Bill 130 refers to, and I will specify, An Act to amend the Retail Sales Tax Act.

Mr Stockwell: I apologize. I digress, but whenever you think about northern Ontario, you think about the member slandering and smearing doctors.

I am not sure if the North Bay Nugget has written an editorial—probably it has—asking the minister to resign. Anyway, the North Bay Nugget, which probably asked the member to resign because of her slandering and smearing ways, said of the Treasurer's new tax and rebate scheme, "The only signal it sends is that the consumer will pay more for a new car," which I think is very important. That is one of the very clear signals it will send. The consumer will pay more for a new car. It goes on: "It's another tax added with all the other taxes, and nothing more. At this rate, some day the taxes on a vehicle will be more than the cost of manufacturing it."

They mention a point there, and it is very scary to think about. If we continue in this tax and deficit and debt approach that the socialists have become professionals at, it seems to me we might be in the very unhealthy way of having taxes that will generate more money in the coffers of government than the cost to manufacture those products. Although I think they were being somewhat facetious in their comments, the way we are going—I suppose if one wanted to retire the \$45-billion debt and the additional \$35 billion or \$40 billion this motley crew across the floor is going to incur over the next three or four years, until they are ousted, if one was trying to pay that off through some kind of sales tax, one would probably be in the position of having to tax for more than the product is in fact worth. That is another scary thought. The North Bay Nugget, being facetious, may be thinking a little further into the future than I think my friends across the floor like to.

The government across the floor always suggests that with a \$10-billion deficit, it would not want to see taxes go up any more than they have. I guess the real difficulty I have with this is that they included some \$1 billion worth of new taxes, they are going to have to include some \$4 billion or \$5 billion in new taxes next year, and they still ran up a \$10-billion deficit and they are on their way to another \$10-billion deficit.

If they had simply raised the taxes without running a huge deficit, you could almost buy into it because they would be paying their way, but the great difficulty I have with the decision-making on the other side of the House is that they not only increased taxes to the tune of \$1 billion over a full fiscal year and they are going to have to do another \$4 or \$5 billion next year, but they also ran the deficit up. So it was double jeopardy for the taxpayer and consuming public; not only are they seeing more of their hard-earned dollars being sucked up by a socialist government—

Mr Johnson: Where is the money going?

Mr Stockwell: I know where the money is going. It is going to 14% pay hikes for the civil servants over the last year. It is going to boost the salaries of pay equity programs that were introduced. It is going to hire thousands of more new bureaucrats this government has put in place. It is going to all kinds of places. I am not sure any of them

are healthy spots, but they are places that this government would see the money go.

As I come back to my point, it is much like double jeopardy for the consumer and the taxpaying public out there. We have a government that is so spendthrift in April, it could not control its expenditures. We have a government that ran up a \$10-billion deficit and looked at increasing the taxes by \$1 billion. Included in this tax is this gas-guzzler tax, under the guise of an environmental tax, which borders on the hilarious. As I said before, I agreed with the Treasurer when he said that anyone who would suggest that this is an environmental tax is misleading the public. I think we should say that the Treasurer may well be doing the same thing himself.

That is the double jeopardy these consumers and the taxpaying public are paying. It really does not seem to bother the members across the floor but I think it should, because come next election there are going to be a lot of people asking why they did this. When they go back to the public, they are not going to be able to say, "The federal government is lousy." They will say: "Maybe the federal government is lousy. Why did you do this?" Their defence is, "The federal government is not doing a good job." They will say, "Maybe the federal government is not doing a good job, but why did you raise taxes?" That defence is not going to wash and they are going to have a very tough time explaining away why they have increased these taxes and run the deficit up. I am afraid that saying the federal government is doing a lousy job is not going to cut it.

Now we turn to the Windsor Star. We have covered Metropolitan Toronto, and we have gone up north to where their cabinet minister smeared and slandered a doctor, admittedly made it up, and now we go to Windsor. The June 26 editorial in the Windsor Star is another interesting editorial. We have talked about Oshawa, which is a car manufacturing giant as far as the cities in Ontario are concerned, and it was real interesting, and now we go to the Windsor Star, Windsor being another car manufacturing giant.

The June 26 editorial in the Windsor Star: "Ontario's re-jigged gas-guzzler tax is better than the scheme the government had proposed in its spring budget"—they are giving them marks for opening their minds and letting the big union boys come in and muscle them off their original position, as bad as it was—"but let's be honest. It is still nothing more than a new way to extract money from consumers." Here we go again. Another respected newspaper that sells its newspapers in a town that relies very heavily on the car industry is telling the government that this is simply another way to extract money from the consumers.

Mr Harnick: On a point of order, Mr Speaker: I do not believe the government has a quorum here.

The Speaker ordered the bells rung.

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Mr Stockwell: It is really a shame when a member has to call a quorum on such an important bill as a gas-guzzler tax, a tax that is going to—

Hon Mrs Boyd: You only have two members here.

Mr Stockwell: The Minister of Community and Social Services says we only have two members in the House.

May I remind her that it is their job to keep quorum. The NDP did win the election. The government must take some responsibility, and the most limited amount of responsibility is to keep quorum. The government is not taking responsibility for anything else it is doing; maybe it could try to take some responsibility for keeping quorum. That seems like a pretty simple job that even the socialists could take care of.

To get back to my discussion, I was talking about the gas-guzzler tax and how it affected the people in Windsor. That is another big town. I have now covered Oshawa, a very important community that has relied heavily on the car industry. I have gone to North Bay, a northern town where—I do not think it was North Bay; it must have been Thunder Bay where the minister recently slandered and smeared a doctor.

Mr Hansen: On a point of order, Mr Speaker: The member opposite has continuously antagonized the other Speaker. Now he is starting again. The Acting Speaker has already made a ruling that he is not to mention the minister. He is supposed to keep on the bill.

The Speaker: It would be helpful if the member could, first, address his remarks to the Chair and, second, of course keep his remarks in line with the principles of the bill which is before the House.

Mr Stockwell: I was speaking about northern Ontario and I was mentioning that people in northern Ontario need their cars because they travel such great distances. People in northern Ontario travel to their specialists, their doctors, in many towns, and I was just suggesting that some of these doctors are leaving the north and coming south. One of the reasons could be that the Minister of Northern Development did slander and smear a doctor. That is all I was suggesting. I am sorry if the members across the floor find that unacceptable, but I am only repeating what the minister said. It is important that we have cars for the people in northern Ontario to travel to travel these great distances. If the government keeps sending the doctors south, they are going to have to even travel greater distances. That would include more taxes paid in the gas-guzzler tax, and even just for gas at the pump. I think it is important that we ask the ministers from the government side not to go up north and slander and smear reputations of doctors by making things up.

We go to Windsor where they have suggested it is still nothing more than a new way to extract money from the consumer. Here we go again with that double jeopardy for the consumer. They have to pay more at the pump because this government increased the gasoline tax by 3.4%, and when they buy a car they have to pay more at the dealership because this government, under the guise of an environmental tax, which everyone has snickered at, including even those in the environmental industry; they have snickered at this government for pretending this is some kind of environmental tax—they are faced with double jeopardy because the government has increased taxes and has also run a tremendous debt and deficit during the year.

It is very discouraging to the consumer and to the business person and to the taxpayer in this province that so many people can so badly manage the economy of this

province so quickly. That is one of the big concerns. The gas-guzzler tax has a lot to do with that because an industry that is reeling from difficulty in this recession is now even further behind the eight ball because this government has decided this seems like an appropriate time to introduce the gas-guzzler tax and even make it reel that much further.

We move on. Here is another town. We travelled the province from east to west and north, and we heard the same thing. We heard that all sectors of this province are very displeased with this tax; probably not just with this tax but this government, as the latest polls are showing. They are dropping very quickly and they are in very big trouble.

Mr Johnson: You're wrong. We've gone up. We are at 41%.

Mr Stockwell: They suggest they are at 41%. I suggest the member pick up a newspaper and find out what happened with the Angus Reid poll.

I refer to the St Catharines Standard June 26 editorial. Here we have gone to St Catharines. I am sure the members from St Catharines will be very interested in what the editorial said in St Catharines when they go back in three or four years and try to defend this gas-guzzler tax. I am certain they will have to because there is a lot of car manufacturing taking place in St Catharines. Those people are very interested in anything that is going to affect their livelihood.

It would be interesting to hear what they have to say to the taxpaying public and to the people who have jobs in the car industry about why they introduced this tax. All they have ever said to me is that the federal government is not doing a very good job, but I do not know if the taxpayers in St Catharines will be really pleased with hearing exactly that.

The St Catharines Standard, another quality newspaper, another newspaper that I think can represent the views and the feelings of those people who live in that general vicinity, said in its June 26 editorial—I am probably not saying anything new for the members from St Catharines, the member for Lincoln or the member for St Catharines-Brock, but I will tell them anyway because we should enlighten the rest of their cohorts over there—"A tax is a tax is a tax"—well said—"and what was a regressive tax on Ontario's troubled auto industry remains a regressive tax but is spread over a wider range of vehicles than was originally proposed, and the main victim is still our own industry."

On June 26 I think the St Catharines Standard summed that up extremely well. They said this tax's main victim will be their own industry. There are not many towns in this province, I do not think—there are some—that would rely on the car industry as much as, say, St Catharines would.

The June 26 St Catharines Standard editorial said that the main victim of this tax "is still our own industry." I can see why some members across the floor from St Catharines would have a very uncomfortable time supporting this tax. I think they should think long and hard before that fateful day comes when this vote is put forward in this House, because their political livelihood could be put on the line. I do not think the people in St Catharines, as well as the people in Windsor and the people in North Bay and the people in Oshawa, are going to be very excited when this tax hammers them. That is just some interesting stuff that

maybe these members can take home with them over the Christmas break.

That has really covered the editorials from around the province. We went west, we went east, we went north and we were in the Metropolitan Toronto area. It was very interesting to see that they all generally agreed this government's tax measures are irresponsible and the victims of these tax measures will be the auto industry and the auto industry workers. It seems awfully ironic that this government is one of the prime movers for shutting down plants and laying off members. That is discouraging and disheartening not just for me but for those union jobs that are so hard to come by. They are going to lose their union jobs because this government decides to implement a gas-guzzler tax under the guise of an environmental tax.

What is also very interesting about this—I would like to spend just a few moments on this—is if this government was truly being forthright with the general public in its budget announcements and its tax announcements, I think it would have been a little more upfront when it came to its environmental programs in this tax. You would think if they were going to announce this tax as a way to improve the environmental programs they would have earmarked a portion of this money to the environmental program or proportioned an account or outlined where to what account the money would go and they would have and they would have taken the revenue from this tax and put it in that account and spent it on the environment.

If they had done that they might have gotten some small applause from perhaps the environmentalists and the Pollution Probes of the world, much the same as the Liberals did with the tire tax. They have not done that. The discouraging part about that is they are kidding the troops again. They are saying, "We're levying this tax because we've got concerns about the environment and we're going to spend this money on the environment." Yet this money, every dollar that is generated from this tax, simply goes into general revenue. It would seem to me there is no commitment on that side of the House.

I do not think we have a quorum, Mr Speaker.

2230

Clerk Assistant and Clerk of Committees: A quorum is present.

The Speaker: The member for Etobicoke West is welcome to continue his contribution.

Mr Stockwell: I am happy to see the member for Victoria-Haliburton back in the House.

Mr Drainville: It's very nice to be back. I don't like listening to you, but it's nice being back.

Mr Stockwell: Oh well, I have an upset member for Victoria-Haliburton. I am finding more and more of them in my path—the upset socialists—so it is coming to be a regular program.

You would think if this government was serious about its environmental commitment it would have opened an account and outlined a place where this money could have gone to pay for the environmental programs it had initiated. I do not honestly think they have initiated any environmental programs, but if they had thought about initiating a few

environmental programs they could have taken this money and used it to pay for those environmental programs. But once again this government said one thing and it is not following through. I used to think they just said what they were going to do during the election and then did something different once they were in power.

Here is another example of a tax the government introduced in its budget on April 29, 1991. They said they were going to implement this tax and they were going to pay for environmental programs from this tax. Once again they are not keeping their word. I have grown accustomed to that. It is almost on a regular basis that they come forward in this House and explain how they cannot keep their word. That is what we call rationalizing. They come forward on a regular basis and explain why they cannot keep their word.

It is very discouraging for the environmentalists out there because they worked really hard for these people. They spent a lot of time on their campaigns, they did a lot of work for these people, and they are left with a faceless motley crew of socialists who made promises they simply cannot keep in their budget and with the gas-guzzler tax. Once again this group of socialists cannot stop themselves. They have made another promise and it was not even an election, for goodness' sake. It was not even an election and they were making promises they could not keep or were not prepared to keep.

Maybe the Treasurer and the Premier should think about keeping this promise. When they are asking people to pay gas-guzzler taxes on a new car and telling them it is for environmental purposes, they should spend that money on environmental purposes. But no, not this government, not the holier-than-thou socialists. This money is going to general revenue to offset the enormous, bulbous amount of money they borrowed to run this province this year.

Those were some thoughts and editorials that were written around this province about the gas-guzzler tax.

Interjection.

Mr Stockwell: I thank the member very much. I did not write those. The editorial writers did, but I am certain they will take that as a compliment.

There goes my friend the member the member for Durham West. How is the dump going? It is going great?

Mr Harnick: He's not sitting in his seat, I notice.

Mr Stockwell: No, he is not in his seat, but that is okay. I enjoy interjections from my friend the member for Durham West. It is matching wits with an unarmed opponent. It is most enjoyable.

Interjection.

Mr Stockwell: Here he goes again. He does not know when to quit. He should just walk around with a bull's-eye on his forehead. It is so much fun.

This key provision of this bill relates to the implementation in a substantially modified form of the changes and increases to the so-called gas-guzzler tax proposed in the 1991 budget. It comes back again to that they could not stand the heat from the big union boys when they first announced it so they had to fall back to plan B, which was to stick everybody who buys a new car.

Mr Owens: Women work in industry as well.

Mr Stockwell: There may be some union representatives who are female in this industry. The ones I have seen go to the Premier's office have all been men, as far as I know. If there are, I certainly do not want to insult any of the women union members who have met with the Premier, and I am sorry for that. It is Bob White who had the meetings with the Premier and he was very clear in his—well, actually not.

Even Bob White did a major flip-flop on this one. He was like a perch on the beach when it came to this issue. He started out in favour of the budget. The sun was hot and he flipped on the beach. He was opposed to this gas-guzzler tax, because it would wreck his industry, after he heard from his workers. Then of course the Treasurer said, "We won't just do it to this many cars, we'll do it to this many cars." Then the sun got hot again and like a perch he flipped back the other way and he was back onside with his socialist cronies at Queen's Park.

Some of the facts that we must take into consideration and that need to be examined when we are dealing with any new tax are some of the facts affecting the province as a whole, because you cannot deal with any tax exclusive from the general economic health of a provincial government.

Let's look at the general economic health of this province in October 1991. It is not too late; the government can retract the tax and help an industry that is flagging. Let's look at some of these things. Do you know, Mr Speaker, that today there are 135,000 fewer people employed in Ontario than in October 1991? That is a really startling number. So there are how many more people out there who are not in the new car market, as we like to say? Who is in the new car market?

We know 135,000 people are not in the new car market, so that means you have that many fewer cars you can market. What happens is you have less base with which to attract sales and you get a government slapping taxes on top of your product that shunts potential buyers who are not unemployed. It is a double whammy here. You have 135,000 fewer people employed and you have a government taxing the heck out of your product. That is not real intelligence.

The unemployment rate has increased from 6.7% to 8.9%, which is very discouraging because again here you have an unemployment factor that gets played into this gas-guzzler tax. How many people could you possibly sell a new car to in a year? That number is calculated and worked out in a very scientific manner: the number of people who are prepared to buy new cars. When you see the unemployment rate jump, that puts a major fly in the ointment if you are trying to attract new car sales.

There are 50,000 fewer manufacturing jobs, 42,000 fewer construction jobs, 81,000 fewer trade jobs and 4,000 fewer agricultural jobs. That breaks it down into sectors of areas where people will not be buying cars. We know these people are not buying cars. They look to the government and say: "We are in very tough economic times. People are getting laid off and unemployment is the highest it's been in years." What does this government decide to do? "The best thing we can do to help in this economic time is we'll increase taxes on cars." That is so naïve, shortsighted and

unacceptable. Union jobs are lost. Sales jobs are lost. Mechanic jobs are lost. The members should not think they are not.

Mr Mammoliti: Since when do you care about union jobs?

Mr Stockwell: Union jobs are lost, I say to my friend.

Mr Mammoliti: Since when do you care about union jobs?

Mr Stockwell: I care about any job.

2240

Hon Mr Ferguson: You never had a real job.

The Speaker: Order.

Mr Stockwell: There is a member—I think that is Dusty telling me I have never had a real job. Yes, there is Dusty telling me I have never had a real job, Dusty the hauler. Is that not something? My friend Dusty the hauling truck driver—

The Speaker: The member for Etobicoke West would take his seat, please. It may not be helpful for us to start discussing who has a real job and who does not.

Hon Mr Ferguson: On a point of order, Mr Speaker: According to the standing orders of the House and the rules of the debate, while it does not state it is a prerequisite that one should have a real job before taking a seat in this House, perhaps it is an item we should discuss at a later date in order to give some of the individuals in this House a real-life experience in what it is like to earn a real living—

Mr Harnick: That's a personal attack.

The Speaker: At best it is a point of confusion.

Mr Stockwell: That is rather interesting, the Minister of Energy standing up and suggesting that. I have often thought to myself that driving for Dusty's would be an interesting job. Only one person I know who has fulfilled a life dream: He can be a part-time hauler for Dusty's Haulage and Minister of Energy next week. Rather curious life this man leads.

As far as my not having a job, I have been gainfully employed for a number of years. I have been paying a number of taxes—some taxes, I am quite certain, that some members across the floor have never heard of.

Mr Harnick: They are called income taxes.

Mr Stockwell: I have got great concerns with any—

Mr Harnick: Some people have never gotten a cheque, except from the government. Then there is George the bouncer, the Conroy Hotel bouncer, but he was a good bouncer. When they got drunk, he sent them for counselling. That is what he said in the transcript today.

Mr White: On a point of order, Mr Speaker: The member for Etobicoke West has been yielding the floor to the member for Willowdale.

The Speaker: Yes, just relax. Perhaps the member for Willowdale would allow his own colleague to continue his speech.

Mr Stockwell: I will continue. I thought the member for Willowdale was doing rather well. Anyway, I will move on, after thanking Dusty for his comments.

There are a number of jobs being lost, and I am concerned about all the jobs out there, be they union jobs, management jobs, clerical jobs, secretarial jobs. It matters not. It is a significant number of people who are unemployed in this province. Those people who are unemployed—135,000 fewer people employed, some 200,000 unemployed—are obviously not going to be in the market for a car. So clearly, that cuts a whole swatch of people out of your prospective market. That is my concern. Employment creates wealth, creates spending, creates good times. It all starts with employment and the creators of wealth.

I know the Minister of Energy was a major creator of wealth with his Dusty's Haulage truck, and I would never take that away from him. The biggest problem was whether he should clutch and go from second to third or second to fourth a few months ago. Now he is the Energy minister, I would never suggest there was any suggestion that there should be some kind of prerequisite to be a cabinet minister, because the Minister of Energy has obviously blown that idea.

We move on to some of the other issues I would like to bring forward today. Doubling the tax rate on the most fuel-inefficient cars, those fuel consumption rates of 9.5 per 100 kilometres or worse, the tax on vehicles in this category will now range from \$1,200, which is a significant amount of money, to \$7,000, up from the previous rates of \$600 to \$3,500. That is a significant increase with this gas-guzzler tax.

Mr Owens: Which cars?

Mr Stockwell: I am not suggesting for a moment that these are not expensive cars, some of these higher-range, \$7,000 tax, but by the same token, there are a significant number of people in this province whose jobs depend on the purchase of those vehicles. Maybe across the floor they do not like people who drive the expensive cars. Maybe they are jealous, I do not know, but there are a number of people in this province who have a lot of time, money and work invested in trying to make a living by selling these kinds of cars.

Members can flip through this and they can see that—

Hon Mr Ferguson: Let's talk about your pension, guys.

Mr Stockwell: Here goes Dusty again. Something got under Dusty's nerves. Sorry, Dusty, I did not hear you. I would like to sit down and talk to you. I think it is your round. Is there something you want to say?

Hon Mr Ferguson: Let's talk about your pension.

Mr Stockwell: He is talking about my pension now. What pension, Dusty?

I think this government should try and keep quorum without Dusty and maybe he could go have a coffee and calm down.

Interjections.

The Speaker: It might be helpful if the member would direct his comments to the Chair.

Mr Stockwell: Some of those people who fall into those categories who are paying \$7,000 in taxes would be doctors whom the Minister of Northern Development and Mines slandered and smeared and told untruths about. Yes,

there would be doctors who would be spending this kind of money on cars. We are alienating doctors at a record rate, because the Minister of Northern Development and Mines slandered and smeared doctors, particularly the doctors in the north, and it seems to me that those kinds of people would be buying that car. There are people who rely for their jobs on the purchase of those vehicles, and here they go from a \$3,500 gas-guzzler tax to a \$7,000 gas-guzzler tax. That is a significant amount of money on any purchase, if you are going to pay \$3,500 more for that vehicle.

I think their concern is less than honest on the most expensive cars, because I do not think they drive them, but there are midsize cars and less than truly very expensive cars that go from \$600 to \$1,200. That is an incredibly high increase, \$600 on the price of a car that is not an expensive car. In fact, I have before me here some of the numbers on some of these cars and what they cost in the gas-guzzler tax. Here we go with a few of the Audis, here is the coupe, the Quattro, and \$250 would be the gas-guzzler tax on that car, which I think is an expensive, unbelievable amount of money to pay for a gas-guzzler tax. It is an Audi, agreed, but there are people who drive Audis and there are people in this country who make their living selling Audis and there are mechanics who make their living fixing Audis, so yes, that is a very important tax to put on it because it is costing people jobs.

We can go all the way down to the Lumina, \$75, to the Corvette, \$1,200. I spoke with a member across the floor who drives a Beretta; \$75 for the Beretta is the new increase in the gas-guzzler tax. The Chrysler Daytona is \$75, the Shelby is \$75. But it ranges in price and it can affect cars like the Topaz and the Tempo, for instance. Those are a couple of midsize cars. Many people would consider them small cars. Those cars themselves would be rated, I would say, as small to midsize cars. They get hammered under the gas-guzzler tax under the guise of an environmental tax.

It seems to me that a pretty unreasonable thing to do is to tax a car like the Tempo and Topaz, which I would not consider to be gas guzzlers in the least. Here is a North American car: \$4,400 on the Lincoln Continental. That is a car that is produced in this country, a car that union members put together, a car whose parts are built in this country and assembled here. It is now \$4,400 more money to buy that car under the gas-guzzler tax. Although I do not imagine many across the floor drive Continentals, it is still a car that sells very well in this province, a car that produces a lot of jobs—

Mr Harnick: On a point of order, Mr Speaker: I do not believe we have a quorum.

The Speaker: Would the officer please count?

A quorum being present, the member for Etobicoke West may continue with his contribution.

Interjections.

The Speaker: Order. The member for Etobicoke West has the floor and may continue with his contribution.

Mr Stockwell: As we flip through this list, you will see the Dodge Spirit, for example, \$75—I would hardly classify the Dodge Spirit as a gas guzzler. It is insane to suggest the Dodge Spirit would be a gas guzzler, another

car that has been produced in this country and built by union representatives, and it seems to me that that would be one of the last cars you would classify as a gas guzzler.

Here is another one. Members have all seen the Ford Escort. It can hardly be classified as a gas-guzzling car, the Ford Escort, a four-seater car that is not sold as any sports car. It is not sold as a gas guzzler in the least. You are paying \$75 as a gas-guzzler tax on the Ford Escort. I know the members across would know the Ford Escort would be one of the last cars you would classify as a gas guzzler. My goodness, it is not a big car. It certainly not a sports car, so where did the Treasurer get this figure, this number, to include the Escort as a gas-guzzling car? There has to be some explanation, and I do not think there has been.

I think the editorials are very clear around this province, in some of the home towns of some of the members across the floor. They do not like that tax. They think it is a tax whose victim is the car industry itself, and if the car industry suffers, everybody suffers. Branch plants and parts plants close. Union jobs are lost. Clerical jobs are lost. Management jobs are lost. And one for the Minister of Energy. The guys who drive the trucks, full of cars, back and forth from the dealers to the manufacturers—they would lose their cars even, and the minister could appreciate that, shifting from second to third. That is something he would appreciate.

Here we have a government that has given little thought, I think, to this particular tax, and it has come up—here we go with some of the other—Honda Accord, \$75; the Honda Civic SW for goodness' sake, \$75—

Mr Harnick: On a point of order, Mr Speaker: I do not believe there is a quorum.

The Speaker ordered the bells rung.

2254

The Speaker: A quorum being present, the honourable member for Etobicoke West may resume his contribution to this debate.

Interjections.

Mr Stockwell: I just have to take this off, so I can figure out who is yelling across the floor. Most of them are barely recognizable, but I will do my best. To the member for Don Mills, it is nice to have her here. It is good to have her here. As we move on, clearly the heavyweights from the socialists have showed up today. These are the well-respected members.

I was talking about the Honda Civic. We all know about the Honda Civic. It broke into the North American market in the mid to late 1970s as the small car, the fuel-efficient car, the car that was going to be the cheapest and the cheapest to operate. Here is the Honda Civic SW—\$75 gas-guzzler tax on the Honda Civic.

Interjection.

Mr Stockwell: The suggestion is made that it is 0.5% of the price, but that plus the tire tax, plus the air-conditioning tax, plus the PST, plus the GST, all that gets folded into the price of the car. The government members may not think it is a lot, but when we start adding—

Mr Johnson: That's right. Nobody comes in and says, "Oh, my God."

Mr Stockwell: The member is telling me what people say when they buy a car. We should ask him how many cars he has ever sold. He knows what people say.

Mr Johnson: You'd be surprised.

Mr Stockwell: My friend across the floor would be surprised. People ask how much the taxes are all the time and, quite often lately, people are asking with the gas-guzzler tax and all these taxes. They are asking today, "How can I buy this car for cash?" because they want to avoid all the taxes which add up to such a huge amount of money.

Now a car is a hard thing to say it fell off the truck on the way to the shop, but there is going to be a huge underground market in many other areas if we continue to tax at the rate we are taxing. So—

Interjections.

Mr Stockwell: They are restless today, are they not? It is exciting when they can just speak whenever they want. It is not like caucus, is it? No. We will go on. We will move on.

Here is a Crown Victoria which is a good car, a solid car, a family car. In fact, I think a few of the ministers are chauffeured around in Crown Victorias. These cars would be classified as cars that families would buy. It is a little more expensive than average, but here we go with a Crown Victoria, another North American product with union jobs. They build better, they are number one Ford, clerical jobs, management jobs—\$250 on the gas-guzzler tax, and my friend across the floor says, "No one ever goes in there and asks how much tax is here." My friend across the floor does not sell cars, because a lot of people ask, "How much tax is involved in this?" A lot of people ask that.

We move to the Lincoln Mercury product of vehicles. Now Topaz—

Interjections.

The Speaker: Order. Would the member take his seat, please.

The member for Yorkview does not contribute to the debate. I think the member would want to withdraw. The member for Etobicoke West.

Mr Drainville: The member for Etobicoke West shows disdain for the House as well.

Mr Stockwell: It is clearly getting late. The member for Victoria-Haliburton is feeling a little antsy here, so I will move on.

I did want to mention the Topaz because I mentioned it earlier. This particular Topaz—the engine size is 2.3 litres which is not a big engine, automatic transmission and it gets 8.4 to the 100 kilometres. Now a Topaz with automatic transmission is not a huge car. A lot of families buy Topazes to take their children skating and to take their families on outings. With this Treasurer over here, if you wanted to go out and buy a new Topaz with automatic transmission at Christmas you would have to fork up to this government \$250. That is a lot of money.

2300

Interjection.

Mr Stockwell: Do not even begin to make noises like that. That is a lot of money to a hardworking person in

Ontario. It is a lot of money for a dealer to put out and then to have to refund to them. It is like the Grinch who stole Christmas. The members opposite are suggesting here that \$250 is something to sneeze at. They should be ashamed of themselves. That is a lot of money.

Let's move on. Again the suggestion is, let's go to Ottawa. My goodness, is there not some other party line they can start parroting? If they wanted to affect Ottawa policy, why do they not run in the federal election? They have an opportunity to shape this province during one of the worst recessions and all they can offer us is deficit financing and taxes that are killing any hope of recovery. That is very shameful.

We move on to the Plymouth. This company is in very serious trouble. There are no two ways about it, the Chrysler Plymouth operation. It is in very, very serious trouble, there is no doubt. In fact some people in the industry have said it is teetering on the edge and it is very, very dangerous. For anybody to slam a gas-guzzler tax on a car operation such as Plymouth at this time is only going to speed up any process that it is going to put it out of business.

Interjection.

Mr Stockwell: Whose fault is it, the suggestion came from my friend across the floor. I will tell members opposite one industry that was not opposed to the GST. One industry that was in favour of the GST was the car industry, because it had a 13.5% manufacturing tax that it had to pay before and it does not have to pay it any more.

Mr Owens: Did their prices come down?

Mr Stockwell: Yes, prices did definitely come down and they offered incentive financing. They tried to work their way out of the recession by offering financing incentives. They brought the price down on most cars at substantial rates. The problem is with the gas-guzzler tax—

Interjections.

Mr Stockwell: The other point is, sure, prices came down on cars, prices came down on gas, but when the government kicked in with its gas tax, it just hammered them right up again.

The savings were accrued to the manufacturers by reducing the 13.5% manufacturing tax, taking it off and only applying a 7% GST. The government just sucked that money up in its gas-guzzler tax, and here it goes taking it again. It is really unfortunate, because the car manufacturers, if they needed an injection, something to jettison them through this bad economic time, it was clearly when the GST got lifted at the beginning of this year and they did not have to pay the 13.5% manufacturing tax. That is what they said was a great idea about the GST. They endorsed the GST. But now when the government included its gas-guzzler tax and its gasoline tax, that just flattened out any hope of recovery for the auto market.

If members opposite do not think I am right, they should go to see their local dealer and ask their local dealer what the GST did for the car prices. Their local dealer will tell them that the manufacturing tax being lifted, at 13.5%, cut the price of cars. He said that.

Interjection.

Mr Stockwell: Now the suggestion is made, who came out ahead, the consumers or the car dealers? A minute ago, it was the federal government's fault, now it is the car dealers' fault. When are members opposite going to take responsibility for some of their actions?

Here we move on to—

Interjection.

Mr Stockwell: The member for Victoria Harbour is obviously getting excited again.

The Speaker: Order.

Mr Stockwell: I guess they would have fed them in the big house by now.

Mr Johnson: Victoria Harbour?

Mr Stockwell: Sorry, Victoria-Haliburton. I apologize.

Now, Mr Speaker, we move on to the Oldsmobile, which is another good North American product. Some of these cars you would probably yourself think about buying, being a good socialist.

An hon member: Did you do all the Fords?

Mr Stockwell: I did not go through all the Fords. There are some I left out. I would just like to hit the highlights, the Topazes and the Civics, the ones that tend to shock the viewers to think that the Treasurer is going to throw a tax on, say, a Topaz or a Civic, and a \$4,400 tax on a Continental.

There are Continental drivers out there who are probably saying, "I don't think I'll buy a new Continental this year because I'm not prepared to pay all that tax." So the Treasurer also loses. He loses all that tax he would have generated from new car sales all for this \$200 or \$4,400 worth of increase. They have to look at it very carefully when they start monkeying around with the tax system. The Fair Tax Commission is out looking at that now and it is going to report back probably before the year 2000.

We will move on. Here we have the Oldsmobile. Cutlass, now a Cutlass Supreme—there is a car I think you would even think about buying, Mr Speaker. Anyone in this House may think there is a good car, a good-quality North American product that is well built. It is a little more sporty than most, but none the less it certainly carries, I think, five comfortably, possibly six.

I do not sell that product, but a nice car, there are no two ways about it, \$250 of gas-guzzler tax on the Cutlass Supreme. That is unreasonable. That is absolutely unreasonable. I do not think this Treasurer meant, when he struck this budget, to hammer the car industry to such a degree that it would in fact include cars like Topazes and Civics and of course the Cutlass Supreme here.

Interjections.

Mr Stockwell: There they go again, Mr Speaker. I think what really this proves is that anyone can get elected, and they are proving it every day. It is the only time that all 74 have been gainfully employed at the same time. I think that is another important point to point out.

Pontiac produces a number of cars from sports cars to sedans to midsize—

Mr Sutherland: What's the best one? What should we buy?

Mr Stockwell: Well, I think the Edsel would be up the member's line. But I will try to continue. The member would probably get it real cheap.

We will move on. The Firebird would probably not be for everybody, but a Firebird is a very popular car in this country. There are a number of people who would like to buy a Firebird. They find it a thrilling excitement, but when you buy a Firebird, there are a tremendous number of union jobs that are created because you buy the Firebird. There are union jobs created, clerical jobs created, secretaries, management, car dealers who sell them; there are mechanics and there are parts. When you buy a Firebird, you are employing a tremendous number of people in the parts division. The Firebird is one of those cars that is a high-performance car and costs more than your standard Civic or Topaz. It is a car that costs a lot but then again employs a lot of people to build it.

What was the Treasurer thinking that day in April when he announced that the Pontiac Firebird would be up to \$1,200? That, to me, seems totally unacceptable. There are a number of people out there who own cars and want to buy Firebirds and Camaros and they are faced with a \$1,200—

Interjection.

Mr Stockwell: I heard a Subaru over there. Well, a Subaru is an interesting car because of course it is the kind of car that would cost—oh, here, a Subaru, sure. Subarus, for instance, are very good cars. I am glad the member brought that up. They are going to see a gas-guzzler tax of \$75 on a typical Subaru.

I think members get my point. Right here is a list of all the cars in the province that are sold and all the gouging that this government does to scratch out more money from that unsuspecting public, the overtaxed dealer and the underemployed union member. It seems to me if this government had honestly thought this through, it would not have come forward with this kind of tax. Bob White could have probably brought a little more sense to bear in that cabinet meeting and it would have been a lot more helpful to the people in Ontario.

I think what we should do is ask the members across the floor to ask their Treasurer or maybe their caucus chairman or maybe even a cabinet minister if they can get his ear for a couple of minutes one day and see if they can get a copy of this. It is something everyone should read to really appreciate the devastating effect that the gas-guzzler tax has on the auto industry.

I want to move on now that we have discussed that. That is—

Mr Mammoliti: I want to know what you drive.

2310

Mr Stockwell: I am sorry, I have got another interruption. He wants to know what I drive. There is an inquisitive mind. He is going places, he should be in the second row pretty soon, I would bet. So he should keep it up; he is going places.

Mr Mammoliti: Is it a North American car?

Mr Stockwell: All my cars are North American. All the cars I drive are North American products, there is no

doubt about that. The member has an inquisitive mind. He probably reads the Toronto Star, that is for inquisitive minds, or the National Enquirer. He probably picks those up on his daily sojourn to—

Mr Mammoliti: Frank magazine.

Mr Stockwell: That is right. We were both in that at one time, I think, were we not? So I move on. The inquisitive minds over there throw me right off my game plan when they say things like, "What kind of car do you drive?" Gee, heckling, I cannot take it.

The Speaker: We are back in the game plan now.

Mr Stockwell: My heart be still when the witticisms come racing across the floor from the member for Yorkview.

Mr Mammoliti: You still haven't answered the question.

Mr Stockwell: I will answer his question. Clearly he is not going to sleep right tonight if I do not tell him what kind of car I drive, so I will fill him in. I drive different cars. It could be a Taurus, a Crown Victoria, a Tempo or a Topaz. It could be any one of those.

Mr Mammoliti: You have the luxury of choosing.

Mr Stockwell: Oh, an Aerostar I will jump into every so often, but those are the kinds of vehicles I like to travel around in. My wife drives different cars as well. The member can probably phone her and ask her what she drives. Exciting weekends the member must have back in his home riding. The constituency office must be a barrel of laughs to be around I suppose.

It is really interesting. It is like the dog days of baseball, I suppose, in the summer, these December meetings closing in on Christmas, and the deep thinkers from across the floor drawing House duty. So I can only accept this for what it is.

I wanted to move on and talk about what this government should have thought about in the first place when it was thinking about its gas-guzzler tax. What I think it could have done which would have been a little more encouraging is much along the same lines as the member for St Catharines speaks of.

Rather than look at a tax on vehicles—and I put this to the Treasurer, I think just a couple of days after the budget. I thought of this because, being in the car industry, I had a lot of people come to me and say there are two ways to create environmentally sensitive cars or newer cars on the roads. There is the punitive way which was adopted by this government, and the members across the floor know it full well, to tax. But it is not an effective way, because rather than buy new cars, which we should be encouraging out there because newer cars are more environmentally friendly than the older cars—so we should be encouraging consumers to buy new cars.

But, again, as I said, there are two ways. There is the punitive way which is counterproductive. If the government becomes punitive or increases taxes on new cars, people do not buy them. People who were thinking of buying new cars choose not to buy new cars. What happens is it leaves the older cars on the road longer and they pollute the environment far more than newer cars would have.

The other method, which a lot of people in industry use right across the board—particularly in the car industry or the housing industry if it is slow, or any industry if it finds it is in economic tough times—is they give incentives. I am certain even some of the members across the floor will realize that some manufacturers are giving incentives on cash rebates, for example. If you buy a car you will get X amount of money back from the manufacturer. If you, for instance, buy a car, you can get a preferred interest rate from the manufacturer.

The government can do the same thing. If it wants to see newer cars on the road for environmental reasons, it has two options. It can give the incentive option, which would mean it gives tax reductions to people who bought cars that were more environmentally conscious or got better kilometres to the gallon, or it can be punitive. As I said, the punitive angle does not work, because it just repels people who are thinking of buying new cars. “No, I’m not going to pay that extra 48\$”; “I’m not going to pay that extra 48\$”; “I’m not going to pay that extra money for a new car, because I simply can’t afford it,” or, “I’m not giving another nickel to that socialist government in Ontario.”

The other method the government could use, as I said, is the incentive method. This has been tried all over. In fact, in the last provincial recession that we had in the early 1980s the provincial government offered provincial tax holidays for the purchase of major appliances and so on and so forth, which was intended to spur the economy. As members know, to some degree it worked. Some will say in the industry that it only worked for the period of time they offered it. They did sell a lot of product, but after it was removed they did not sell nearly as much. But during those tough economic times when they lifted the provincial sales tax it did spur the economy in that industry. It spurred the economy in some of the industries. That is what we call an incentive.

Hon Mr Ferguson: So we should be doing that.

Mr Stockwell: My suggestion has always been if the government is going to run a deficit, which it seems intent on running, rather than spending more it should be offering incentives. If it was a deficit by running—

Hon Mr Ferguson: I guess that means yes.

Mr Stockwell: Excuse me. Yes. I am not in favour of deficits, but if they are going to run a deficit, it is a healthier deficit to run if they are offering incentives to the taxpayers rather than punitive measures to force them out of the market because they are never going to recover from a recession until the market starts regenerating. People go out with some confidence and buy. They not only buy cars, they buy appliances. They buy anything. It does not matter because that starts regenerating the economy. But they were totally punitive in their tax measures as far as jump starting this economy.

The \$700 million that they spent in their program to jump start the economy through capital expenditures—how much money was eaten up on the process road? How much was eaten up by provincial bureaucrats? How much was eaten up by municipal bureaucrats? How much was eaten by people who work in the industry—senior people,

presidents and secretaries—who took so much out? If they offered incentive tax holidays they would not need to have all that money eaten up in the process because the people who spend the money would get the savings and they would go out and spend the money.

In the early 1980s that was the attitude taken by the government of the day in Ontario. I am not in favour of deficits. I do not believe in deficit financing, but I can almost hold my nose and look the other way if they are going to deficit finance if they offer incentives rather than being totally punitive. By being totally punitive, all they cost themselves is more opportunity for people to spend their money to buy cars that produce not just union jobs, but jobs all over this province.

When I speak about the punitive and the incentive, I know. I have read up on it. I know some little bit about it and it seems to me that anybody—

Hon Mr Ferguson: Very little.

Mr Stockwell: The member across the floor says very little and I guess that is his impression. I am sorry if I have left him with that impression, but I believe I know as much as he does which would make us a little bit.

Hon Mr Ferguson: We can’t afford to lease cars from our own company.

Mr Stockwell: He is now suggesting you lease cars from your own company. They must have wonderful caucus meetings. Dusty and George having a deep-thinking conversation—it would be something else to behold, I am sure. I am sorry I tried to explain it to Dusty, but one day he may think of this for a few months on end and it might bang home.

As we move on, the incentive process is one method and a punitive process is another. I am almost tempted to use the word “remuneration,” but I may mispronounce it so I will move on. I suggested the punitive and incentive programs are two methods that they can use to hopefully jump start the sluggish economy. There are two industries that are very important when it comes to sluggish economies. I think right around this room everyone will agree the two industries that seem to be the leading indicators for getting out of a recession are the car sales market and the housing starts market. Why? Because they seem to employ a broader range of people because of the amount of money they spend and the number of extras that go into it.

For instance, in the car business there are the parts manufacturer, the union jobs, the sales jobs and the parts jobs, etc. In the housing industry there are the carpenters, plumbers, roofers, electricians and so on. So those two are two very important sectors in the Ontario economy. In fact, it used to be that the car industry was number one, but during the 1980s boom the housing starts industry even surpassed the car industry as one of the leading indicators for slowdown times.

You will know, Mr Speaker, if you meet either of those two industries, that they are in very serious trouble. They have got very serious concerns. Those two industries, if you offered them some kind of incentive—and you were going to run a deficit—rather than a gas-guzzler tax, so they may sell their product, it may in fact help us get out of

this recession. By helping us get out of the recession, you could employ a multiple of jobs. It would be exponential in its growth, because it would be a single house, but it would be exponential in its growth through the number of people that it employed and created work for, through the forestry industry, the union jobs in St Catharines and Windsor, and so on and so forth.

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But—and there is always a big “but” at the end of these speeches when you have the socialists in power—they have decided, “Oh, no, we don’t want to jump start the economy through effective measures that have been time-honoured and proven. We want to run a huge deficit that we have absolutely no hope of paying off at all.” In fact, they will never pay off one year’s worth of deficit, even if they were in for 10 years, which they will not be. But they want to run up \$45 billion and \$50 billion worth of deficit in four years. On top of that uncertainty in the market and on top of all that lost consumer confidence they also want to tax you to death. They also want to hammer you at the gas pump. They also want to hammer you when you are buying a new car. They want to hammer you at every turn, and they think this is helpful.

They sit back and make smart remarks about leasing a car. You think that is helpful, Mr Speaker? It is not helpful in the least. It is just driving us further and further and further down a road where I am not sure economic recovery will ever be possible under these people. It is getting very dangerous to walk into a car dealership and see the owner, who has been there for years and years and years, teetering on the edge of bankruptcy, and all they can do on the other side of the House is snicker. It is not funny.

They should speak to their own members. I spoke to one of their members today and talked about one of the biggest dealers in Orillia. It closed. He has been in business 25 or 30 years. It closed.

Hon Mr Ferguson: Because there are too many people in the leasing business.

Mr Stockwell: There is Dusty again with all the answers.

Interjections.

The Speaker: The member for Etobicoke West has the floor.

Mr Stockwell: There seems to be some suggestion—

Interjections.

The Speaker: Order.

Mr Stockwell: I will have to tell them again, I guess. There is some suggestion across the floor from Dusty’s Haulage that leasing does not create jobs. Mr Speaker, let me explain the leasing business as well, because I think it is important that we explain it slowly—no question, very slowly. If Dusty listens very carefully, there may be a staff person back there taking notes, and they can explain it to him again tomorrow.

Mr Harnick: Don’t leave out the banks.

Mr Stockwell: Okay, I will get to the banks.

The leasing business also creates jobs. The problem with the gas-guzzler tax to the leasing industry as well is,

most people who lease today, due to tax changes a few years ago, are companies. They used to be individuals who could in fact lease, with some incentives from a tax position. Those tax holes were closed a few years ago, so it is mostly companies who do not want to get involved in the ownership of vehicles. They simply want to lease a vehicle they can return and not have anything to do with in three or four years.

The gas-guzzler tax is still applied to those leased vehicles. There is a blank look. The gas-guzzler tax is still applied to those leased vehicles. So when you sell those leased vehicles, someone must buy them, whether it be the leasing company or the dealership.

Mr Harnick: Where do the vehicles come from?

Mr Stockwell: They come from one of the big three vehicle suppliers: GM, Chrysler or Ford, or Honda or any of the offshore product as well.

Mr Harnick: How many people are involved in the construction of those vehicles?

Mr Stockwell: Involved in the construction of those vehicles would be many people, more, let’s say, than would work for Dusty’s Haulage. More people would be involved in the construction of those vehicles than would be employed at Dusty’s Haulage.

Mr Harnick: Just who would be employed?

Mr Stockwell: Union workers, presidents, secretaries, parts manufacturers, all kinds of people.

Mr Harnick: How do those cars get from the place where they are made to where they are sold? Where do the cars go next?

Mr Stockwell: I do not want to treat this as an issue that is not important. It is important. It is also very important in the leasing business. Not only do we have people in the new car dealerships and union jobs having trouble; we also have leasing jobs on the line. Today you can see leasing shops all over. They have their own showrooms and all they do is lease all makes and models. This is another sector of the industry that is affected by this gas-guzzler tax.

Again, from a straight dollars-and-cents point of view, this government is giving up more money in taxes. It is a very important point. It may be one that is very difficult for the members to follow, but if they listen carefully, this government is giving up more in taxes with this type of tax, because the incremental increase this tax sees on the price of a car, to the effect it turns a consumer off buying a car altogether, the amount of money the government has lost is tenfold.

When they introduced this tax, they thought they would generate more money. They are not. They are costing themselves tax money because it turns people off of buying cars. That incremental amount on the price of a car with the gas-guzzler tax is how much they would have gained had they sold it, but it is this much they have lost because they did not sell it.

That is a very complicated process, but again, I have great faith in the members opposite that they will sit down tomorrow with Hansard and understand.

Let's deal with some of the concerns I have that the Treasurer—my briefing notes for the Treasurer's announcement—

Mr Mammoliti: We're all going to read up about Bart Simpson tomorrow. I can't wait to read up about Bart Simpson.

Mr Stockwell: There goes the member for Yorkview again. He is audible again. It is amazing.

Mr Mammoliti: I can't wait to pull out Hansard and read about Bart Simpson.

Mr Stockwell: There he goes again. We will have to hear him out. It happens like this. He just goes on incoherently for moments on end. But he will stop. There. Do the honourable members know why he stops? He starts letting air out.

Pink Floyd is set to turn into Scissorhands, the deficit cutter. There are very interesting notes in here. It seems to me that if on September 30, 1991, the Treasurer of this province could find some areas he could cut that would save the taxpayers money—

Mr Mammoliti: Will you do the Bart Simpson dance for us?

Mr Stockwell: There he goes again.

Mr Harnick: He's talking about cartoons now. He was up early Saturday morning to watch cartoons.

Mr Stockwell: Yes, he was up early Saturday and he got to see all the cartoons. That is good.

Mr Harnick: He analyses them. It takes him all week to analyse them till he watches them the next Saturday.

Mr Stockwell: Yes, it used to be unacceptable, because they only let the member for Yorkview out on weekends, but now he has a full week to express himself.

Moving on, members know that in September the Treasurer announced some cuts to the budget. Those cuts were designed to roll back some of the expenditures this government had incurred over roughly the first 12 months of doing business. It seems interesting to me that in September 1991 these government members could find some \$670 million worth of cuts in order to bring about a deficit acceptable to them, \$9.7 billion. Only to them; I do not think anyone else considers it acceptable. They could find \$670 million-worth of cuts. They cut things like—well, there were more deferrals rather than cuts, but what they did was they cut back on their spending.

It seems to me that if back in April government members, when doing their budget with this gas-guzzler tax, the trucking tax, the fuel tax—all the taxes they were going in to include it, could have just taken a sharper pencil to their budget in April, the unsuspecting consumer and taxpayer in the province of Ontario would not have to accept these taxes.

Do not tell me they could not have, Mr Speaker, because as few months ago as September, the Treasurer found \$670 million he could cut out. Why did he not do that in April? Then we would not have to be subject to some of these taxes. In fact, the accrued amount the taxes would generate for the rest of the year from April on was about \$670 million. The Treasurer found \$670 million in September and included roughly \$640 million in new taxes

in April and he said there was no way he could cut back. I challenge the Treasurer that he was kidding the troops again, because there he was in September cutting \$670 million and back in April he was increasing taxes by almost exactly the same amount of money.

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I want to make this point, because all the people in Ontario today could be living without that gasoline tax, all the truck drivers today could be living without that fuel tax, all the car dealers and workers and so on could be living without that gas-guzzler tax, if the Treasurer had sharpened his pencil to the same point in April that he did in September. Now he has done it again.

Mr Mammoliti: Say "GST" too. Say it.

Mr Stockwell: We have a member across the floor saying "GST." Maybe I can keep him busy for a while. Let him spell IQ. That will keep him busy for quite a while.

We move on and come up with some of the Treasurer's comments in the paper during those budget statements. "We made a choice in this budget to fight the recession and not this year's deficit because we believe that is a priority for the people of Ontario." Why the heck did he not sharpen his pencil a little better? The people of Ontario would not have had to suffer one tax increase, not one, because he seemed to be able to make those cuts in September. I think there leaves a lot to be desired.

He went on to give us a little background and a little of this and a little of that. The Premier got into the act and said, "There was no way we could cut any more and it was totally unacceptable that we couldn't come forward"—

Mr Owens: I have never seen a place with so much carpet that smells so much like a pasture.

Mr Stockwell: Excuse me, I am getting heckled even from the back benches, by the member for Scarborough Centre. It is difficult enough to keep my attention as they heckle from that side.

Mr White: You seem to be abandoned, Chris.

Mr Stockwell: Yes, there are only 20 of us. Sometimes it gets to be tough, but we are a hardy lot. Let me give members my word: We are a hardy lot of 20. It is difficult sometimes to sit across from 74 socialists, but we have had to learn to do it.

Mr Mammoliti: What does the word "lemon" mean to you?

Mr Stockwell: There is an excellent comment, but I cannot even make it in this House.

Where are we going in the guise of the environmental tax and the gas-guzzler tax? I would like to put to the members opposite—I think some of them, being in cabinet, would like to know the answer to this as well—where is it exactly that they see the money that is taxed back on the gas-guzzler tax being spent on the environmental initiatives? We have not had any legislation from the Minister of the Environment. Well, we have had one piece of legislation from this Environment minister that usurps any rights of people to oppose two expansions to landfill sites in Peel and York. I made a very long speech last week, about an hour or an hour and a half, outlining my concerns. I

said at the time that this environmental minister had not delivered on any of her promises.

Mr Mammoliti: Oh, here comes Harnick. Harnick is back.

Mr Stockwell: Oh, there he goes again. We have a job for the member for Yorkview. He announces everyone who comes in and everyone who leaves as well. That is probably something he can handle. They may even give him \$4,000 or \$5,000 a year for doing that in his caucus. They seem to give it to everybody else for anything else. Someone might leave, I say to the member for Yorkview. He should keep his eyes open.

I wanted to mention that environmental issue. I wanted to mention it to a few cabinet ministers who are left. I think they should go to the next meeting and ask the Minister of the Environment and the Treasurer whether they were very serious when this gas-guzzler tax was introduced. If they were, where is that money being spent on the environment? All I have ever seen that money go to is general revenue, and if it is only going to general revenue, that means it is not necessarily being spent on the environment; it is simply being used to reduce the deficit. I do not necessarily think that is a bad idea, quite frankly, but the government said when it announced this that it was going to be spent on the environment.

The other point is they were very clear in their opposition to the last Liberal government's tire tax and the fact that it was supposed to be spent for environmental purposes as well and clearly it was not. They were very critical in their opposition. It was another tax on automobiles. None of that money, not 100 cents of that money is being spent on the environment. Now they have added on top of that the gas-guzzler tax and that money is not being spent on the environment. They have got a lot of promises to keep. Not all of them are as expensive as others.

I see the Minister of Education here. He is probably working diligently on the 60% promise, no doubt about it. That is going to be an expensive promise and he knows it, but I am certain if anyone could keep that promise—no, I do not think he could.

Interjection.

Mr Stockwell: The gas-guzzler tax is a lot, but I do not think he can have quite enough to keep that 60% promise, although I think he will try. I hope he will try. Good luck to him.

To put this in perspective, I say to the ministers, next time they go to cabinet they should ask the Minister of the Environment, "Where is this account supposed to be, how much money have we got in it from the gas-guzzler tax, how much money do you expect to have in it and when are you going to spend the money for environmental purposes?" As far as I know, it is being put into general revenue, which some would suggest is being less than forthright with the electorate.

I would never suggest they were being less than forthright. The 60% thing will be hard to do. The day care issue and the housing issue—sure, they have broken their promises on those. Insurance—yes, they have broken their promise on that. Rent controls—yes, they have broken

their promise on that. They have pretty much broken their promises on everything, but I do not want to suggest they are less than forthright because that would be unparliamentary and get me kicked out.

I do know that the Premier himself sat downstairs and called Premier Peterson a liar five times for not fulfilling his promise on the insurance industry. It seems almost ironic that he could call Premier Peterson a liar five times because once he did not fulfil his insurance promises, yet this Premier promised full public auto insurance and did not fulfil it. I wonder if he still thinks Premier Peterson is a liar. If he still thinks Premier Peterson is a liar, I wonder what that makes him. But that is in his own mind.

But we do know about the Minister of Northern Development and Mines. We certainly know about her, because she admitted it herself. I digress again, but sometimes I cannot help it. I look across the floor and neither of them is here.

Mr Mammoliti: Do the Bart Simpson dance for us, just once.

Mr Stockwell: He wants to know about Bart Simpson. He is an excellent performer. It is kind of exciting to have him here.

The Speaker: The member for Etobicoke West.

Mr Stockwell: I move on. When the Treasurer first introduced his gas-guzzler tax—

Interjections.

Mr Stockwell: There they go again.

When the Treasurer first introduced the gas-guzzler tax in his budget, he said it would have no impact. Now get this. The Treasurer said it would have no impact on the automobile production industry. How naïve can you get? He said that introducing this tax would have no impact on the automobile production industry. It is just unbelievable that a man as learned as the Treasurer—I will say the Treasurer is a well-respected soul—could even make that comment, could even say that. That is just so out of touch. It took Bob White to straighten him out. It is just unbelievable that a Treasurer could make that statement. It took Bob White whispering in his ear for him to acknowledge that there were repercussions and he did an about-face on that tax.

The original tax would have applied to 10% of all new vehicles in Ontario. This new version means—get this—a \$75 tax on any car that consumes between six and 8.9 litres per 100 kilometres, which includes—this is what is most interesting—90% of the cars sold in Ontario today.

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I do not know what the Treasurer was thinking when he made the suggestion that by putting a minimum \$75/maximum \$7,000 tax on cars in this province today, a tax that would include 90% of the cars sold in Ontario, it would have absolutely no impact on the automobile production industry. Talking to the members from St Catharines, they know full well from their people, they know full well from their newspapers that these kinds of taxes are the taxes that are hindering an industry that is already reeling.

Talk to the Minister of Industry, Trade and Technology, the representative in cabinet of business, business' best friend in this government. No, we cannot go on that way; it does not make sense. The wrong tax at the wrong time for

the wrong people. Let's move in the right direction. Let's get people back to work. These antibusiness tax-grab measures undermine our ability to do business. I do not think anyone who is in business today would argue against the view that these antibusiness tax-grab measures undermine our ability to do business. That is absolutely, unquestionably one of the truest statements that could be made.

Every time the government introduces a new tax in this province, a province that ranks number one in North America as far as the tax situation is concerned, it is just putting us further behind the eight ball. I know the Minister of Industry, Trade and Technology is hearing this from business. I know they are telling him it is very difficult to do business. I know they have concerns about the deficit.

Interjection.

Mr Stockwell: There he goes, the broken record, the member for Etobicoke-Rexdale. He woke up, wiped the sleep from his eyes and the first words out of his mouth were, "GST; federal government." Once again, a minister of the crown not taking responsibility for his own government's actions. They are phoning you, Mr Philip. They are not asking about the federal government; they are asking about the tax measures you are implementing and the deficit you are running up. Wipe the sleep from your eyes and get in the game, Mr Philip. Businesses are in big trouble in this province and you are their representative in cabinet.

Mr White: On a point of order, Mr Speaker: The subject under debate is Bill 130 and not a personal attack upon the Minister of Industry, Trade and Technology.

The Speaker: It indeed would be helpful if all members would remember to refer to each other by the names of their ridings, although obviously calling each other by surnames or even first names may show a sign of endearment. Would the member for Etobicoke West please continue with his remarks?

Mr Stockwell: That was an interesting intervention. As I was saying, the member for Etobicoke-Rexdale is business' representative at the cabinet table. I do not think anyone will debate that when one is Minister of Industry, Trade and Technology one represents business at that cabinet table. When it comes to the gas-guzzler tax or the gas tax or the fuel tax or whatever tax, or the deficit, businesses have been trying and in some cases getting through to the minister and they have been outlining some very real concerns and very real problems in this province today.

When they have the next cabinet meeting, it would be helpful—I can register the complaints firsthand from the dealerships I spoke to in Mississauga and in Etobicoke who have said the gas-guzzler tax is just another tax to heap on top of an already overburdened tax system in the new car business. It was not needed and it cuts into the capacity to stay in business. I know full well that in Etobicoke-Rexdale there are car dealerships which have closed down after many years in business. I know them personally in the home riding of the Minister of Industry, Trade and Technology.

Interjection.

Mr Stockwell: There goes the member for Yorkview again. He is almost being coherent, and I think it is big of

him. I think I should let him continue if he is going to be coherent. That is the member for Yorkview, the bouncer at the Conroy Hotel.

Mr Harnick: He is a good bouncer.

Mr Stockwell: He is a good bouncer. He used to offer them counselling if they got drunk. It was an enlightening point in my life when the member for Yorkview filled in the standing committee on general government on that; it was an exciting moment. They say they are going to write a book about the member for Yorkview. It would be very interesting. I am not sure you can sell a four-page book, but they may well write the book.

Common sense says to regulate fuel-efficiency standards that must be met over a period of time by the car manufacturers. There is another process that the government can use if it truly is an environmental concern. I say to the members from Windsor, St Catharines and Oshawa, all these towns that have a tremendous car industry, that have a great willingness to see a flourishing car industry, that if they really want to see a more environmentally friendly car, they should not worry about taxing the cars, because they are not going to sell them. They should regulate the cars like they did in California, say; they should regulate the cars if that is really what they are trying to do.

I seriously question whether they were really trying to regulate environmental standards or if they were simply in it for the money. The member from Scarborough before suggested they were in it for the money and I really think they are in it for the money, but they did not want to seem so obvious about it so they suggested this tax grab in the gas-guzzler tax and they introduced it under the guise of an environmental tax.

What it comes down to in the end is one simple and very clearly stated fact. This tax will raise money for the government, no two ways about it. This tax will raise money for the government, but it will do absolutely nothing for the environment. They have hung their hats on the fact that this tax was an environmentally conscious tax and not a tax grab. But in conclusion to this segment of my speech, this tax will raise money for the government—I want to get it on the record—but will do nothing for the environment.

Mr Mammoliti: Will you finish the Bart Simpson dance, please?

Mr Stockwell: There he goes again.

Mr Harnick: It's Thursday night. He missed Bart Simpson.

Mr Stockwell: Oh, that is a shame. That is his intellectual stimulation for the week.

I assembled some interesting information that I think really cuts to the heart of why this gas-guzzler tax is not going to be successful. Look at the recent federal government figures that show the Ontario personal income tax collections are down a total of \$2.1 billion for the 1990-91 tax year. What does that figure say? If the members opposite were sitting around with a group of people writing the budget or the Agenda for People—better say the budget, because it needs to be a little more reflective—and saw that the personal income tax was down by \$2.1 billion, it would clearly tell them (a) a lot of people are not working

this year who were working last year and (b) there is not as much money out there to spend.

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So we ask ourselves what this government would do to help stimulate this economy. It seems pretty clear to me when we look at the \$2.1-billion loss in the 1990-91 tax year that the best thing the government could do is create employment, but if there is one thing this government has been absolutely hopeless at it is creating jobs. It has not created any real work. Members point to a few government programs which employ bureaucrats, as if that means it is work. We all know that every time you hire another bureaucrat that is not work; you are just creating another tax. I am talking about real jobs from wealth creators, from the private sector, true jobs that the general taxpaying public does not have to pay for. This government has been absolutely abysmal at that end of the record.

This government's suggestion is that the recession has a lot to do with it, but there is something else that has to do with it as well. The tax hikes have something to do with it. If any business had any thought of expanding its workforce but realized it was going to be hit with a fuel tax if it was in the trucking business or a gas tax if it had to pay for its salesmen to get around or a gas-guzzler tax if it had to renew its rolling stock, it would start to think twice. That makes a lot of sense.

Or what about a company thinking of relocating? The big problem we face today as a government is the \$2.1 billion in lost taxes, the jobless, the unemployment rate. That is the biggest problem we face; this government would be in a lot better situation if there were not as many people unemployed. So if someone were contemplating a move to or opening a business in this portion of the continent, what would inspire them to come here? We have labour laws that no one else has seen that are somewhat onerous, in my opinion; taxes that rank us at number one in North America. If they are thinking of increasing rolling stock, there are taxes on tires and taxes on air conditioning if you get air conditioning in a car, which practically everybody gets today. There is disposing of the tires; you have to pay a tax.

That is another great thing: When you buy the car you have to pay a tax on the tires; then when you change tires you have to pay a tax to dispose of the tires. What did this government do with the tax it charged me in the first place? I have to pay a tax to buy it and I have to pay a tax to dispose of it, and in the meantime this government has done nothing to figure out what it is doing with all these tires. Talk about irresponsible, talk about unacceptable, talk about shortsighted, talk about less than honest with the taxpaying public.

One of the biggest complaints I hear is the tire tax. People complain they have to pay a tire tax when they buy the car and a disposal tax on tires when they get rid of the tires. That is at both ends; they get taxed at both ends.

Mr Hansen: You are incorrect.

Mr Stockwell: No, I am not. Well, the member can correct me.

Mr Wiseman: It is not a tire tax.

Mr Stockwell: The members opposite are suggesting it is not a tire tax to get rid of them. When you take your tires in to dispose of them, you get charged. There is a tax on that charge, and the provincial government gets a portion of that money. It gets money up front and it gets money at the end. Do not tell me I am wrong. I know I am right.

Mr White: On a point of order, Mr Speaker: We are not discussing the tire tax bill. That was the last government's.

The Speaker: The member for Etobicoke West was indeed addressing his comments to the bill, although they seemed to stray slightly. However, there is not anything out of order.

Mr Stockwell: Any time there is a variance, someone pulls that string in his back and he pops up and the words come out.

The point I am trying to make is that there are taxes right through the system. If you are looking to relocate a business, the gas-guzzler tax is just another tax the people of this province have to pay as well as a tax business has to pay. If they are thinking of relocating to this province, they are going to look at all these taxes: the PST, GST, municipal taxes, realty taxes, business taxes, health care taxes. You have taxes heaped on you from all angles, and then if you want to buy a car to travel around in this province you have the tire tax. When you dispose of the tires, you have a tax. You have the air conditioning tax if you are buying a car; you have the PST, the GST, the gas-guzzler tax. We could go on for ever.

Then the poor soul who has come in to buy the car says, "My goodness, I am buying a \$20,000 car. I am looking at literally nearly \$2,000 in taxes on top of a \$20,000 car. I don't have that kind of money. I wanted to put a deposit of \$2,000 down." He wants to put a deposit of \$2,000 down and all his deposit goes to is that it is sucked up by various levels of government. He has to go out and finance \$20,000 at higher than normal interest rates because this government keeps borrowing \$10 billion a year to run the place. That is unreasonable. That is the kind of socialism we have in Ontario today. All they can do every time you talk about a tax hike is have the same words come popping out of their socialist mouths: the federal government and the GST.

My friends should go back to their communities. They may think that is going to sell now, but in three or four years there may well be an election, or between now and then. There may well be a different federal government. They are going to end up saying, "The federal government," and people are going to say: "I don't care. Why did you raise my taxes?" This government is going to say "GST." Then they are going to say: "I don't care. Why are you running up such a high deficit." They are going to say to this government that it is not standing up for the irresponsible things it did. They are going to put it out of office. Good riddance to them because they will not defend their decisions on taxes. They will not defend their decision on the deficit. All they do is mouth some party line written by some backroom socialist about some federal government they do not like.

As we move on, I would like to point out also in my—there is a whole bunch of people coming in. The member for Yorkview is falling way behind. I would like to point out that barring an economic miracle, the one the Treasurer probably prays for every night, I might add, taxpayers should prepare for either a massive deficit or an unpalatable combination of real and deep spending cuts and tax hikes.

Mr Owens: What about Brian Mulroney?

Interjections.

Mr Stockwell: There they go again, blaming Ottawa for their spending hikes and tax hikes. They cannot take responsibility for anything. Why did they get elected? It just proves they are a better opposition than government because they are not catching the arrows very well. Obviously, their cabinet minister lost her cool in Thunder Bay when she started slandering and smearing a doctor. It is clear they are losing their cool now as we close this session of the House.

What is very clear is that this is not the last tax hike we are going to see on a reeling industry. Two very seriously hard hit industries are the trucking industry and the car industry, two areas they hit very hard with the gas tax and the gas-guzzler tax. My submission to this House, to the Speaker and to the socialists across the floor is to be prepared for another \$4 billion or \$5 billion in tax hikes next year. My fear is that this will include another hit on an already reeling car industry.

The Speaker: Perhaps this would be a convenient spot for the member to pause in his remarks and we will hear about the order of business for next week from the Minister of Industry, Trade and Technology.

BUSINESS OF THE HOUSE

Hon Mr Philip: Pursuant to standing order 53, I would like to indicate that the business for the coming week will be outlined immediately following routine proceedings on Monday, December 16, 1991.

The House adjourned at 2400.

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99A 1991

99A 1991

ISSN 1180-2987

Legislative Assembly of Ontario

First Session, 35th Parliament

Assemblée législative de l'Ontario

Première session, 35^e législature

Official Report of Debates (Hansard)

Monday 16 December 1991

Journal des débats (Hansard)

Le lundi 16 décembre 1991



Speaker
Honourable David Warner

Clerk
Claude L. DesRosiers

Président
L'honorable David Warner

Greffier
Claude L. DesRosiers



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Numbering of Hansard

Effective with the opening of the Second Session of the 35th Parliament, Hansard issues and pages will once again be numbered on a sessional basis. Hansard numbering therefore will become consistent with Orders and Notices and Votes and Proceedings, and with other parliamentary publications throughout Canada.

For the last two years Hansard has been numbered according to the calendar year. Under this system, the numbering of issues and pages was restarted with the first issue in the calendar year, regardless of session or Parliament.

Under the new system, the sequence of numbering started in January 1991 will end with the final House and committee sittings of the present First Session. A new sequence will begin on the opening day of the Second Session, and each succeeding session, which will be issue 1 and begin with page 1. Committee reports likewise will be numbered from the first sitting of each committee in a parliamentary session.

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Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au (416) 325-7400.

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Depuis deux ans, le Journal des débats était numéroté par année civile. Avec ce système, la numérotation des numéros et des pages recommençait au premier numéro de l'année civile, quelle que soit la session ou la législature.

Avec le nouveau système, la numérotation commencée en janvier 1991 s'arrêtera à la dernière séance de la Chambre et des comités de l'actuelle première session. Une nouvelle série commencera le jour de l'ouverture de la deuxième session et des sessions suivantes : numéro 1, page 1. Les rapports des comités seront également numérotés à partir de la première séance de chaque comité pour une session parlementaire donnée.

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LEGISLATIVE ASSEMBLY OF ONTARIO

Monday 16 December 1991

The House met at 1330.

Prayers.

MEMBERS' STATEMENTS

TIGHE CROMBIE

Ms Poole: Every year at the North Toronto Fall Fair I sponsor a contest for students in my riding to win a day at Queen's Park as the MPP for Eglinton. The purpose of the contest is to provide an opportunity for a student to see what an MPP does at Queen's Park. I am pleased to announce that in the gallery with us today, with his grandparents, is the 1990 winner, Tighe Crombie, a grade 8 student at Crescent School.

I thank my colleagues for the warm welcome they have given Tighe at Queen's Park. When we were trying to decide what to do with Tighe's day, we thought it might be somewhat unfair to make his a typical day on December 16, in that we did not think he should be down here at 8 in the morning and sitting till midnight. We gave him a somewhat more relaxed schedule.

Tighe has had a tour of the Legislature. He has had lunch down in the Queen's Park legislative dining room and he met a number of MPPs and cabinet ministers there. After question period, Tighe will have an opportunity to meet with the leader of the official opposition, the member for St Catharines, and I am hoping he will also have an opportunity to speak to the Premier.

When asked as part of the contest why he thought Ontario was a great place to live, Tighe replied that "Ontario has a great cultural community, and we're lucky to have democracy and live in such a clean, beautiful city."

On behalf of all members, I welcome the new member for Eglinton for the day and hope he will be back as the real member for Eglinton 20 years from now.

DRUG BENEFITS

Mr J. Wilson: Stroke is a debilitating condition which severely undermines a patient's quality of life. The Premier's health council has established a goal of reducing the incidence of stroke by 40% by the year 2000. Recently a new stroke prevention medication, ticlopidine, has been manufactured and marketed by a Mississauga firm, Syntex Inc. All efforts to get the drug listed on the Ontario Drug Benefit Formulary have been rebuffed and, as a result, the NDP government is hurting the very people it claims to defend.

Ticlopidine has been proven to be more effective than ASA in reducing the risk and recurrence of stroke and it is particularly effective as a stroke treatment for women. Not only is the NDP government undermining the Premier's health council's established goal of reducing stroke, but this government is also creating a health care system that prevents seniors and social assistance recipients from gaining access to this stroke treatment and prevention drug.

In a letter to the Drug Quality and Therapeutics Committee, Mr Henry Barnett, president of the Canadian Stroke Society, says, "I believe I speak for the majority of my colleagues when I say that ticlopidine is an important advancement in stroke prevention and should be made available for use with formulary dependent patients."

This government must begin to live up to its rhetoric and provide access to lifesaving drugs for all Ontario residents.

SOCIAL ASSISTANCE

Mr Abel: Christmas is almost upon us and the people of Hamilton-Wentworth are focusing on a major problem. Because of difficult economic times, welfare rolls have risen dramatically and more and more families cannot afford their regular grocery bill. Various groups are providing what they can to those in need through numerous food, gift and clothing drives and people in need are turning out in increasing numbers.

It is not only indicative of the charitability of the season, it is a sign of the times. That is why it is so disturbing to hear the leader of the third party, both inside and outside this House, indicate his anger over the rising welfare costs in the province. He said he believed many people are abusing the system. The member for Nipissing's statements are ridiculous considering today's economic realities. There are few experts who will dispute that the vast majority of social assistance recipients are legitimately in need.

The member's comments could counteract the public education process that would enlighten taxpayers to the extreme difficulties of so many of their neighbours. We must endeavour to get people off social assistance through well-planned programs, not cheap political statements at the expense of victims of circumstance.

The charities in our area all work for a common goal: to make this winter a little more bearable for the less fortunate residents of Hamilton-Wentworth. Insensitive and ill-informed statements from the member opposite could make this a very cold winter for the needy.

HOSPITAL SERVICES

Mrs Sullivan: The Hotel Dieu Hospital in St Catharines is in need of an improved dialysis unit. The current conditions under which patients receive and doctors and nurses provide treatment is appalling. Since 1974 the dialysis unit has seen a 500% patient population increase. In order to accommodate these patients, who now number 89, the unit operates from 8 o'clock in the morning until 11 o'clock at night six days a week. The facility, needless to say, is terribly overcrowded and inadequate.

The hospital has stated that to continue to provide quality service to patients in the Niagara region, 21 new haemodialysis stations are needed. In the summer of this year the Hotel Dieu applied to the Ministry of Health for \$2 million in capital to save on spiralling operating costs and to meet the increasing demands which are being placed upon it. The hospital had hoped for a speedy response to its

request. However, to date, more than six months later, it has not heard a word back from the minister.

I want to urge the Minister of Health to give the application for funding for the Hotel Dieu Hospital in St Catharines the very serious consideration it deserves and to remind her as well of the New Democratic Party government's stated commitment to ensuring that all Ontarians receive the highest quality health care.

1340

CURLY HARNDEN

Mr B. Murdoch: Today I would like to congratulate my constituent Curly Harnden of Owen Sound, who has earned the Medal of Merit for more than 30 years of outstanding service in scouting. This honour is given to those whose contributions have exceeded all expectations. He is the first person to receive this award in the history of the Owen Sound district of scouting.

Mr Harnden first became involved in scouting through his church, and since then has done most of his works with Cubs. For the last three years he has been commissioner of the Owen Sound district, Bluewater region.

It is because of the dedication of people like Mr Harnden that so many young boys in our area have learned to work and play together. Mr Harnden has organized log sawing contests, sled races, scavenger hunts and cookouts while teaching his Cubs vital outdoor rescue and survival skills. As well, he has taught his charges to share and has taught them the value of volunteerism to the community.

We owe people like Mr Harnden a great debt of gratitude for their hours of selfless service and for helping our young boys to grow up to become outstanding, contributing citizens.

JIMOH FAMILY

Mr Perruzza: Sadly, I bring to the House today news of a tragic event for a family in my riding. The House may already be aware of the tragedy of the Jimoh family. On Wednesday, November 27, Mrs Janet Jimoh and her one-year-old daughter, Jamela, were struck by a vehicle while crossing Finch Avenue. Tragically, the child Jamela was killed, as was Mrs Jimoh's unborn child. Mrs Jimoh to date remains in critical condition in hospital.

The misfortune of this young family has touched us all. Since the accident, my constituency office has received numerous calls from concerned individuals asking how they can help this young family in a time of extreme difficulty. With the help of the Bank of Montreal, my constituency office has set up a fund to help ease the financial burden now placed on the Jimoh family. This fund will remain open over the holiday season and up to January 31, 1992.

I call on the members of the House to reflect on the tragedy of the Jimoh family, especially during this holiday season, and to make a contribution to the fund. Contributions can be made at any branch of the Bank of Montreal.

AGRICULTURAL INDUSTRY

Mr H. O'Neil: I rise to give a statement on behalf of the House leader, who has been detained elsewhere for a few minutes.

This winter, farmers across the riding of Brant-Haldimand will be waiting to see if the NDP government intends to live up to the recommendations of the report of the standing committee on resources development on the income crunch facing the agriculture industry.

Brant-Haldimand is one of the most important agricultural areas of the province, with a variety of farms ranging from cash crop to dairy, to beef and hogs, to specialty vegetable crops. As with farmers in many other rural areas, like those of my own area, the farmers in Brant-Haldimand are feeling the impact of the current tough times in agriculture. As the winter begins, the bankruptcies are starting to mount.

Unfortunately, the NDP has shown no indication that it intends to move on any of the important recommendations contained in the committee report, recommendations which were supported by all three parties. Recommendations such as provincial participation in the net income stabilization account, reform of crop insurance and a long-term credit assistance program are what farmers need just to scrape by.

Farmers are upset to hear the Minister of Agriculture and Food's continuing lament that the province's cupboard is bare when they know there has been lots of money made available for the Hydro chairman, salary increases, free lunches and dinners for deputy ministers and an advertising campaign to promote the government. Obviously this NDP government has refused to make agriculture a priority.

LABOUR LEGISLATION

Mr Jackson: The proposed NDP reform to Ontario's labour legislation, Bill 143, has sent shock waves throughout our business community while at the same time frightening prospective new job creation investments in this province.

In an open letter to the NDP government, the Burlington Chamber of Commerce affirmed that Ontario does not need an overhaul of its labour laws, as it already has North America's most comprehensive labour and employment legislation. The NDP changes will only further damage Ontario's already fragile ability to compete in the world marketplace by replacing co-operation with antagonism between labour and management in an unbalanced and polarized economic playing field tipped in favour of narrow union interests to the detriment of those of all Ontario citizens.

When the Premier first assumed the Premier's chair over a year ago, he said he was in the "business of listening." In that case, he should listen carefully now to what those who are in the business of creating jobs are telling him. They are telling him that jobs depend on investor confidence and that neither government nor unions create jobs in the private sector. They are telling him it is the government's responsibility to create an environment that encourages capital investment. They are also telling him that his proposed changes to Ontario's labour legislation

will only strangle that confidence and that environment by hurting not only employers, who are relocating their businesses out of the province at an alarming rate, but also the jobs of workers that the member for York South swore he would protect.

The time has now come for the Premier to start hearing and acting on the advice of Ontario's business sector. This province's future economic wellbeing depends on it.

GEORGE LLEWELLYN NUTT

Mr Sutherland: Today I would like to honour Sir George Llewellyn Nutt, one of the driving forces behind St John Ambulance in Oxford county since its inception more than 50 years ago.

Mr Nutt died last Wednesday at the age of 80 after a lifetime of community service. He was one of the founding members of the Woodstock division of St John Ambulance and was closely involved with the organization throughout his life.

In 1939 he assembled about 30 first-aid volunteers for duty during the royal visit to Woodstock of King George VI and Queen Elizabeth. The following year many of those same volunteers formed the number 83 Woodstock Ambulance Division, with Mr Nutt as division superintendent. He served as the provincial staff officer on the Ontario council of St John Ambulance for 25 years before his retirement in 1976. He then continued his involvement with the Woodstock branch as its secretary-treasurer.

At a ceremony in Ottawa in 1990 he was promoted to the rank of Knight of the Order of St John in recognition of his long service with the St John Ambulance corps. But Mr Nutt did not limit his contribution to Oxford county to strictly St John Ambulance service. He was also the executive director of the Woodstock United Way from 1964 to 1977.

Mr Nutt's life exemplifies the very important role volunteers play in communities across our province. His contributions to community life have been immense and his death is a great loss not only to his family and friends, but to all of us in Woodstock and Oxford county who have benefited from his generosity of spirit.

STATEMENTS BY THE MINISTRY

PROVINCIAL SCHOOLS

Hon Mr Silipo: I wish to inform the House that I have now received a report from a specially appointed review team on student care at our provincially run schools.

The Report of the Review of Student Care at the Provincial Schools for the Deaf and Blind and Demonstration Schools raises serious concerns which will require action from my ministry. The schools studied by the review team were W. Ross Macdonald School in Brantford, Ernest C. Drury School in Milton, Robarts School in London, Sir James Whitney School in Belleville, Trillium School in Milton, Centre Jules-Léger in Ottawa, and Sagonaska School in Belleville.

Allegations of abuse at two provincial schools, dating back to the early 1970s, came to light in April of this year following complaints to authorities. As a result of those allegations of abuse, the former Minister of Education, the

member for London Centre, announced on May 16, 1991, the establishment of a review team to examine the current care of students in all provincially run schools.

At the same time, an investigation of the allegation was conducted by police and child welfare agencies. Since charges were laid and court proceedings are currently under way, I cannot comment further on those specific incidents. As the welfare of all children in provincial schools is of paramount concern to my ministry, immediate actions to protect children and improve the care and safety in the schools were taken.

The report I have received is the result of work conducted jointly by the Ministry of Education, the Ministry of Community and Social Services and external consultants. The team conducted its review with a mandate to assess conditions that contribute to, or work against, students' wellbeing, and to make recommendations that would promote the health, safety and welfare of students in provincial schools for the deaf and blind and in demonstration schools for the severely learning disabled.

The review team conducted extensive interviews with students, staff and parents, undertook a thorough examination of documents and records and inspected the physical facilities. Members will recognize as they read the report that the findings of the review team go far beyond the concerns raised by the original allegations. The 38 recommendations in the report offer a framework for corrective action on a broad range of issues related to student care and safety.

I want people to know that I take very seriously the findings of the review team. What we have learned is that we need to take measures to ensure that there are adequate checks and balances in the system. Some of the problems at the schools have required immediate action by the ministry. Some will require consultation in order to find lasting solutions.

1350

As my ministry endeavours to find these lasting solutions, it will also welcome suggestions for innovative ways to address the needs of provincial school students. Our provincial schools must improve, as it is apparent to me that these schools have not always been able to adequately meet students' needs.

I would like to note some key findings and outline the actions my ministry is taking to ensure that students are provided the best possible care.

The review team found that the fire safety and security measures were inadequate. Improvements have already been made in fire safety, night supervision and security.

The review team found a lack of safeguards for protecting children at the schools. Interim procedures have been developed to require stringent reference checks on prospective staff and for stricter guidelines and procedures for reporting child abuse. In addition, the ministry hired advocates for both students and parents.

The review team also found a lack of residential care standards. Residential standards, with a process for monitoring residential care, are being developed. The review team also found that there is a lack of up-to-date written policies. New policies are now being drafted.

Those are some of the immediate actions we have taken. We will take any other immediate steps we find necessary to ensure the best possible care for our students.

There are other findings in the report that will require fundamental changes in the operation and direction of the schools. For instance, the review team found a lack of direction, purpose and philosophy in the schools, human resource management is weak and physical plants are unsuitable for children.

The report noted:

"Although pride of history is justified for some of these facilities...they are unsuitable as residences for children, particularly for younger children, or for programming. The residences reflect the thinking about residential care which was current in the era in which they were constructed."

With the release of this report, officials can continue consulting with the parents, students and staff of the schools and work towards longer-term solutions. We will work closely and swiftly with existing advisory committees. We are also setting up a special advisory committee to assist in implementing changes necessary to improve our provincial and demonstration schools. We will draw membership for this special advisory committee from various groups and organizations so that we will have input from a wide range of interested parties.

I am grateful to the review team members for their quick and thorough study of our provincial and demonstration schools and I thank them for their work. I am confident their recommendations will focus discussion and provide direction to ensure the proper health, safety and welfare of all students in our care.

This government is committed to developing and implementing the necessary reforms to ensure the ongoing safety and security of students. Provincial school students, parents and all Ontarians have a right to expect that the serious issues which have come to light since April will be given equally serious attention by this government. I want to assure members that I will be doing that during the winter break, and I will report back in the spring with a more detailed plan of action.

RESPONSES

PROVINCIAL SCHOOLS

Mrs Y. O'Neill: I am very happy to respond to the statement of the Minister of Education and I am more than happy to know of his personal commitment. This is very important work. It is not complete and the minister has acknowledged that. We are just beginning.

I think this morning in our briefing, though, we were assured—I want to say how happy I am that we were assured—that at the moment there is no imminent danger to the children in these provincial schools. I think it is very important that we underline that this was one of the discoveries of this report. Although there are many things yet to be done, there are no imminent dangers.

A joint ministerial venture, as anyone who has worked in government knows, is always a challenging matter, but in this case the ministries involved really did mesh their

efforts and bring forward their best talents, and I am really very happy with the sensitivity with which they undertook the work they did. The review process has involved all elements—staff, parents, indeed the students themselves, and ministerial officials—and I really hope that will continue throughout the entire process. This implementation process is over years and years and the opportunities to interact and participate must be there for all levels.

The report certainly said that government can work. This report was begun less than eight months ago and today we have what we consider here a very good beginning. So government can work and bureaucrats can work with government.

I really want to reiterate, however, that I trust and hope that the commitment that has been made by the minister will flower into action and that this action will begin immediately. I understand that letters are going to every parent involved as early as this week and that those letters will be followed up with the resources, both financial and human, needed to make sure the concerns will be allayed.

The report makes several recommendations. Each recommendation is outlined and assessed in the following manner: If this action were taken, would the care provided to children be improved? I think that is a good basis upon which to make the decision.

The report has shown, as we all know, that there are several gaps. They need to be corrected. One of the most fundamental gaps is the lack of research in the area of education of deaf and blind children. Those conducting the review identified that any school serves two fundamental purposes: to provide children with sound academic training, and in an environment where children will develop a healthy self-esteem.

Yet as the report quite rightly states, research into this area has been insufficient. The focus must be brought back on to the child, and only through research can we better understand what will work best for each and every child.

The report asks for a strong commitment from each school to strengthen human resources and staff development, another very important area; to provide staff for these special children with annual appraisals; to orient staff and provide them with training plans, including training on normal child development, behaviour and managing behaviour using safe techniques, and to encourage interaction by staff beyond the school itself, through staff rotation, staff exchanges, joint training programs and boards of education.

This ministry must support those efforts if this is going to be successful. The children who have to travel long distances also provide many challenges that will have to be attended to.

There is also one other matter the report does not touch, and really was outside its mandate, but it is an important matter that this government is not attending to. The Ministry of Community and Social Services has not yet acted on the case of the Grandview Training School in Cambridge. The former residents have made allegations, similar to the allegations made here, of physical and sexual abuse directed at residents by the staff. These allegations by residents against staff were made in the mid-1970s. The

Ministry of Community and Social Services has done nothing to this point to respond.

Joint recommendations and co-operation have occurred in this report. We hope that they can be carried forth into good actions and that the situation in Cambridge will be attended to with the same care.

Mrs Cunningham: Usually I say "It's with pleasure," but today I think the whole House is feeling somewhat concerned. Just last May, the Minister of Education at the time drew to our attention the allegations of abuse at our provincial schools for the deaf and blind and our demonstration schools. I said at the time that it was of great concern to us that we have well-trained professionals in Ontario to whom we entrust our children.

We do not expect or ever hope these things will happen. Congratulations to the government for getting on with it. Those cases are still outstanding, but what had to be done has been done. At the same time I say to the former Minister of Education, the member for London Centre, and her executive co-ordinator, Suzanne Herbert, and the present Minister of Education that we are very pleased to see the report of the review of student care at the provincial schools today for a couple of reasons.

First, we all know these schools have had tremendous success in Ontario and that we will be for ever grateful for what they have been able to do for so many of our special students. The fact is that this report has been so thorough that we now know we can do an even better job, not just at those schools but in the regular education system within our own secondary schools and elementary schools for the deaf and blind students. We have learned that, not just from experience but from the tremendous research that went into this report and the hard work on the part of the people who asked the questions.

We now have 38 recommendations, some of which we were told today have already been implemented. We are very grateful for that because they were just commonsense things that ought to have been done anyway.

1400

It is very important that the special advisory committee that will assist in implementing these recommendations include not just representative groups but individual parents themselves, who perhaps have not had the opportunity to have input or who have very young children and do not have their minds made up about the kind of education they want for their students. They must be involved in these recommendations.

I also advise the minister that local school boards must be called in immediately to be part of these discussions. I think they should have a bigger role to play, given what we have discovered from the past and given our great hopes for the future; that is, with the research that has been done, especially with educating the deaf and the great hopes we have that they will be able to speak, and also from the varied experiences we have had as members of this House in learning from and looking for leadership from the member for York East, who is doing a great job in representing his group of people. But we know there are two sides to the story and we want the minister to know that.

Also, we have to have research which will be undertaken on the effect of teaching. I would say to the minister that is not part of this report, but it should be. We have information right now in Ontario. We have students and we have parents who have gone through the system and we do not have to spend a lot of time finding out what is the right way to teach deaf and blind students, given the individual choices of families.

In conclusion, our party will be looking forward to the implementation of the 38 recommendations and we will give our full support to the minister in looking at future programs for these young people, not just in these kinds of schools but in the public education system.

Mr Harris: I would like to respond briefly to the minister's statement as it pertains to another statement from the minister today and that is that school Christmas is okay. The minister's statement today deals with Ontario schools. Tonight my son will be in his school Christmas concert. He is a Christmas tree. I really am offended that it has come to this with government today—all levels of government—that we have to have the Minister of Education say it is okay—

The Speaker: Order. Would the leader of the third party take his seat. The leader of the third party will know that responses are to statements made in the House and not to statements made outside the House.

ORAL QUESTIONS

MINISTER'S COMMENTS

Mr Scott: I have a question of the Premier about the problem of what was said or not said by the Minister of Northern Development and Mines at Thunder Bay. We have now had a full account of that conversation, which it was agreed was initiated by a reference to a named doctor who has not been named in the House but who we will call Dr X. The minister has told the House, or she has implied, that the statements attributed to her were correctly attributed but they were untrue and without foundation. The Premier has said it was therefore a mistake on the minister's part, which will be forgiven by the Premier so that she can continue in cabinet.

If the minister at Thunder Bay told the truth—that is to say, if the statements she made were true and she had Dr X's file or the material in Dr X's file, if not the actual file itself, and used it, would the Premier have demanded his minister's resignation?

Hon Mr Rae: It would only add to the atmosphere of complete speculation if we got into answering hypothetical questions. I say to the honourable member that the minister has given the House the very clear assurance that she has had no access to any confidential information with respect to any particular medical practitioners in the province. The only information to which the minister has had access is publicly available and which in fact, with respect to the names of doctors who were on the underserved area program, was made readily available to the Sudbury and District Medical Society some time ago.

I say to the honourable member that those are the facts of the situation. It is on the basis of those facts that the minister has responded.

Mr Scott: I confess it does not come as a surprise to me that the Premier would evade an answer to the question by saying it is hypothetical, and I respect that. I bring to the Premier's attention a very real sense in the community, and in part in the House, that in fact the minister may have told the truth in substance at Thunder Bay, that she had accidental, perhaps, or deliberate access to a substantial portion of Dr X's file.

I bring that to the Premier's attention again because today I received a telephone call from Keith Harfield of Sudbury, a management consultant, a former member of the board of health and president of the association of small business, who got concerned about the capping issue. Mr Harfield, who is in fact now at his cottage, not in town, told me that early in November when he was preparing his own views on this question, he spoke to a person he identifies as a health official who gave him the OHIP billing figures for Dr X.

I raise this because it seems to me likely that if Mr Harfield, a citizen on the street whom I see no reason to disbelieve, had access to Dr X's billing figures, it is likely that the minister intentionally or accidentally had access to his billing figures as well.

Would the Premier like to comment on what Mr Harfield tells me?

Hon Mr Rae: The honourable member knows full well that I have no idea what Mr Harfield told him, apart from what the honourable member has just told the House. It would be truly bizarre if, on the basis of that conversation being reported in the House today, I were to respond in any detailed fashion.

The Information and Privacy Commissioner/Ontario has been clearly asked by the deputy minister specifically to look at this question. I am sure now that the member has told us Mr Harfield's name and the fact that he was given, alleges that he was given or thinks he was given certain information by a Ministry of Health official whom the member has not named—and I do not know what this official may or may not have done or what he may or may not have been asked—with all the experience the former Attorney General has and the experience he is now regaining as a trial lawyer, I wonder if he would not agree that it would be a little strange for me to comment on what he will certainly recognize from my perspective is third-hand information.

Mr Scott: I well understand the rhetorical thrust of what the Premier has said. When I spoke to Mr Harfield and he told me about receiving this information from an unnamed health official, I asked him if he would name the official to me because I knew the Premier would want that information. As the Premier has now said, he would have to have it. He said the official was a friend of his and he was reluctant to name him and he would not give me the information.

I pondered on that and I phoned Mr Harfield back and I said, "If the Premier calls you, will you give that infor-

mation to the Premier?" Mr Harfield said that if the Premier thought it was important to have that information to protect the confidentiality of the health system, he would give the Premier or his office that information. He gave me his unlisted telephone number at his cottage, which I have and which I will pass over.

Will the Premier or his office phone Mr Harfield to find out the name of the health official who provided this information to him?

Hon Mr Rae: Again, I say to the honourable member that nothing would be more inappropriate, having asked the Information and Privacy Commissioner, who is at arm's length from me and from my office, to carry out an investigation with respect to an alleged leak of confidential information. For the former Attorney General to ask me now to conduct the investigation strikes me as bizarre in the extreme.

1410

If the honourable member has information with regard to knowing of any other individuals who allege they have received information, I would ask that the information be passed on directly to the privacy commissioner, who has clear responsibility in this area. The privacy commissioner has been asked to do this. He has been asked to carry out an investigation, and it would be entirely in keeping with the way the investigation has been carried on for the privacy commissioner to continue with that investigation.

The Speaker: New question. The member for Renfrew North.

Mr Conway: I would like to return to what is for me the central question in this: the Premier's standards. There are a variety of questions that attach to this issue, but for me the central question is and remains what the Premier has by way of standards, particularly for his cabinet.

Having had the weekend to think about the discussions of last week, I once again ask the Premier to indicate whether, in light of what the Minister of Northern Development has done and admitted to, and having regard to what the Premier said would be the standards of his government as contained in his December 12, 1990, presentation to this Legislature, does he still today believe that those two are compatible: the behaviour of the minister in Thunder Bay and the high-minded, stringent standards the Premier introduced here on December 12, 1990?

Hon Mr Rae: I regret very much—and have indicated that so has the Minister of Northern Development, the member for Sudbury East—what took place in the conversation between the member and Mrs Dodds in Thunder Bay. I think it is perfectly clear to everyone that the minister made a mistake for which she has apologized very clearly to the House. She has made it very clear she regrets very much what took place.

The minister has indicated very clearly that what took place was a mistake and that she should not have had that conversation. I have accepted that apology and accepted very clearly that sense. I have heard from a number of people in the community, across northern Ontario and in different parts of the province, who have made it very clear to me that they regard what took place—the

minister's part—as a mistake, but feel very clearly that the minister's qualities—her integrity, her ability, her capacity to serve the public—are such that her apology should be accepted.

Mr Conway: The difficulty many people will have with the Premier's response is that nowhere in his guidelines of December 12 does it say that for an offence of this seriousness an apology or an admission of error is acceptable.

I am just looking at the Premier's standards. What he said so definitively a year ago would be the benchmark by which he would govern his colleagues in cabinet. Nowhere in here does it say that, for this kind of serious offence, just saying you are sorry would be good enough for the Premier or for the cabinet as a whole.

How is it that now, in the face of this situation where we have a minister admitting at the very least to telling a serious lie in Thunder Bay with a very serious effect on an Ontario doctor, just saying one is sorry is good enough, when the member for Oakwood sits in lonely isolation up in the bleachers; when we see the former Minister of Culture and Communications sacked and sitting on the back bench for reasons we are not clear about; when we have the example of the now Minister of Housing leaving cabinet for something that was transparently accidental? Can the Premier explain again why his behaviour seems to be so uneven and why his very tough minded guidelines of last year make no reference to, "Just tell me you're sorry and that will be good enough"?

Hon Mr Rae: All I heard in the question was that if the honourable member opposite were Premier, he might, in different circumstances and in different cases and on different days, act differently. I accept the fact that different members can come to different conclusions with respect to how judgement should be exercised.

I do not take that to mean that all the truth and all the righteousness and all the answers lie with any one member or any one party. This has been a difficult situation. I think we all recognize that. Others would perhaps react differently to a situation. I have been faced with a situation where the minister has carried out her responsibilities well and effectively, where she has had a tremendous amount of understanding of the issues affecting the community for which she is responsible and in which, at the end of a session and at the end of a very long day, she made an error of judgement for which she has very clearly apologized to the people concerned and she now wants to carry on in her duties. I think in the circumstances, the minister has, in making her apology and in indicating very clearly how sorry she is for what has taken place, indicated where her priorities are.

Mr Conway: Again I want to remind my friend the Premier that the circumstances are these: In a public place 10 days ago a responsible minister of the crown knowingly impugned the integrity of an Ontario doctor. That much is admitted to on all sides. There may in fact be much more than that, but that much is granted by the offending minister herself.

We have the Premier's own guidelines of a year ago which say they are going to be enforced in a way that will

restore confidence, that will improve the integrity of government. Now we have the Premier telling us it is somehow all right to slander people and stay in the government.

How can that in any way give effect to the solemn promise the Premier made to this assembly and the people beyond it a year ago that he was going to be tougher, he was going to be better, he was going to be stronger?

Hon Mr Rae: Ultimately, whether I possess any of the qualities the member has described or not will be a judgement the people of Ontario will make and which they make all the time. We all recognize that, but I just want to suggest to the honourable member that the sense, from a great many people I have talked to, is that what took place was not all right. No one in this House is saying it is all right.

Mr Scott: They are all in cabinet.

Hon Mr Rae: The member for St George-St David says they are all in our cabinet. Not at all. Let me refer to a letter I received from the Prospectors and Developers Association of Canada. The president says: "While Miss Martel's responsibility in this portfolio commenced only recently, we are impressed by her obvious intelligence, sensitivity and penchant for hard work. We want to see her remain as our minister." Those are the words that are being said.

In all fairness, I would simply say that perhaps not all the truth lies in any one section of the House. What we are trying to do is be fair in the circumstances, to have an independent investigation by the privacy commissioner and to deal with it on that basis.

The Speaker: New question, the leader of the third party.

Mr Harris: I guess all the ministers who have resigned in the past were not doing a good job. I cannot quite understand the Premier's logic.

I have a question for the Premier: It has been a week since I first raised questions about the Martel affair. He has repeatedly tried to convince us that an apology was good enough. An apology was never good enough when he sat in opposition. On May 6, 1983, the Premier said: "There are countless instances in our tradition where ministers have accepted personal responsibility. Even though it is a rough test...it is a test that all of us must live by."

Presumably we must live by it, because the whole integrity of government, something that is under severe threat today in this country and in this province, is threatened if we do not live by it. Why will the Premier not insist on the same standards that all his predecessors in the Premier's chair have insisted be followed in their role as Premier of this province?

1420

Hon Mr Rae: With great respect to the honourable member, I can think of any number of instances over the years, in this jurisdiction and others, where premiers have exercised their judgement with respect to the makeup of cabinet, with respect to the decisions of ministers and with respect to the activities of ministers which have been the subject of some public discussion. To suggest that I am somehow exercising my responsibilities any differently

than any of my predecessors just does not stand up to any kind of examination.

Mr Harris: A member of the Premier's cabinet has admitted she lied in her official capacity as a minister of the crown. Those are the facts. She did not make an honest mistake. She deliberately smeared a doctor's reputation for the sole purpose of defending a government policy. As long as she continues to sit in the Premier's cabinet, the credibility of the government and indeed the credibility of all politicians and all 130 of us in this Legislature is in question.

Given, as the Premier and I discussed many times in opposition, that today perhaps the biggest obstacle facing politicians in trying to lead on issues of the economy, of the homeless, of the poor and of the Constitution is the lack of credibility that politicians have today, knowing this, I ask the Premier again why he will not honour his responsibilities as leader, as Premier of this province, as every other Premier before him has done.

Hon Mr Rae: Perhaps the honourable member would agree that exaggerated rhetoric on all sides may have an impact with respect to the public's view of the political process. I think that is something we all have to look at and recognize. I say to the honourable member directly in response that I am exercising my responsibilities to the very best of my ability. I am exercising judgement.

The minister has apologized very clearly for what took place. There is a reference of this matter from the Deputy Minister of Health with respect to the matter of any confidential information by the freedom of information commissioner. In the circumstances, I think the public is very clearly being well served by the government being completely candid about the situation that has taken place and sharing whatever information is there in order for the freedom of information commissioner to make his investigation.

Mr Harris: Time and time again the Premier sat on this side of the House and condemned David Peterson and his ministers for low standards of conduct. It was not limited to the Liberals, but they happened to be here in government for a large part of the Premier's time in opposition.

On May 25, 1989, the member for York South repeatedly called for Joan Smith's resignation. He said: "I want her out. The critical question is the judgement of the Premier. If that isn't improper, I must be living in a different province."

The Premier is sitting in judgement today. Does the Premier believe today he is living in another province? Is that his explanation for why he has lowered the standards of the Premier's office in the enforcement of its guidelines in all of these matters to the lowest level in the history of this province?

Hon Mr Rae: I think the rhetoric which the honourable member has been using—

Interjections.

The Speaker: Order.

Hon Mr Rae: I think the way in which he is posing his question is completely out of proportion.

The Speaker: Would the Premier take his seat, please.

Mr Eves: You had different standards over here than you do over there. You were very sanctimonious sitting over here. How do you like it?

Interjections.

The Speaker: Whoa, whoa. Would the member take his seat.

Interjections.

The Speaker: I ask the House to come to order.

Interjections.

The Speaker: New question, leader of the third party.

Mr Harris: I think we should cut to the very core of this issue. About a year ago last week, I guess, the Premier introduced his conflict guidelines. He told us they were the toughest guidelines in history. He promised a level of honesty and integrity we had never seen. "Never seen before" I guess is the way he said it. I agree with the second statement.

He and I discussed this issue when we were in opposition together, he as leader of the New Democratic Party and I as House leader and then as leader of my party. We discussed the credibility of all politicians issue that was affecting the ability of politicians to lead.

The words are not worth the paper they are written on. In his own words of July 1986 he said, "If we do not have a Premier who is prepared to enforce the guidelines, they will not make any difference." Those are his words. Would he not agree with me and with his statement of July 1986 that if the guidelines are not enforced, then it is the same as not having any guidelines at all? Would he not agree with me on that?

Hon Mr Rae: The assumption behind the member's question is that the only way to enforce anything is to require the resignation of a cabinet minister every time something happens which should not happen. That is the premise behind the honourable member's question with respect to this matter of what he calls enforcement.

The first minister has a responsibility, as any first minister does, to exercise judgement with respect to the conduct of members of the government. The minister has clearly apologized for something which should not have taken place, and that is what has taken place. A mistake was made by the minister in a conversation she had with Mrs Dodds and she regrets very thoroughly that conversation.

Mr Harris: We have no idea what the Premier's standards are. We see some written guidelines, but he and his guidelines have no credibility any longer. In my view, he has done every single politician and every single government a disservice by not enforcing his standards. He has made it, quite frankly, impossible for us to believe anything this government says or does when he condones the actions of this minister. Is there anything the Premier will not accept as long as you say you are sorry?

1430

Hon Mr Rae: Again the member has said I have condoned what has happened. I have not condoned what has happened. All I have said is that a clear apology from the

minister with respect to what has taken place, a clear indication from the minister that she regrets very much what has taken place is a clear indication on the minister's part that she recognizes something took place which should not have taken place. That does not mean any one of us here approves of what happened or condones what took place. It means that we think she has a valuable role to play as a minister of the crown. That is what it means.

Mr Harris: The Premier does not seem to realize that he has placed us in a position where we are forced to do one of two things. One, we can accept that the new standard of conduct for this government is everything goes, including lying, and if you are caught you say you are sorry. Quite frankly, we are not willing to accept that. The alternative is to fight for the integrity and honesty that the people of Ontario deserve. That is the choice my caucus is making.

We are calling on the Premier today, and I ask him to consider it carefully, to call for a full, open, unfettered investigation by an all-party committee of this Legislature into the entire Martel affair and the related involvements of the Minister of Health and Ministry of Health and the documents. Will the Premier agree with this today so that we can get on with business?

Hon Mr Rae: The leader of the third party has made a serious proposal in his last question. I cannot give him an instantaneous answer and I want to tell him why. Having asked the freedom of information commissioner to start an investigation with respect to a finding of fact on the question of the alleged leak of confidential information, if that took place—

Mr Harris: We are not interested in the civil servant. We are not interested in that.

Hon Mr Rae: The member says he is not interested in the civil servant. The freedom of information commissioner is a servant of this House, appointed I might add by an all-party committee in which members were appointed.

I am not rejecting out of hand at all the proposal he is making. We have nothing to hide with respect to what has taken place. I am sure the House leaders are going to be meeting this afternoon and perhaps it will be possible for us, in consultation with others, to fashion an answer to the request that is being made by the leader of the third party that will allow for a full airing of the facts, which I am certainly fully in favour of. We have had, I believe, a very full airing of the facts over the last week, but if there is a way for us to end up reaching some kind of a conclusion, I am not opposed to what he is suggesting.

Mrs Caplan: My question is to the Premier in light of his answers of just a few minutes ago. I would like to ask him questions about the conduct and responsibility of ministers.

We know that confidential and sensitive information was sent from Kingston to the offices in Toronto of the Ministry of Health at the request of the minister's office. We know this information was received by Eugene LeBlanc, a senior official of the Ministry of Health. Dr LeBlanc is responsible for conducting briefings on health policy for cabinet ministers.

We know the Minister of Northern Development had extensive briefings by staff before she went to Thunder Bay. We know as well that there were concerns raised during those briefings about questionable billing practices of northern doctors. We believe—in fact we know—that what happened in Thunder Bay was that she selectively took bits of that information and blurted it out to win an argument. Is that acceptable conduct for a minister of the crown?

Hon Mr Rae: The premise of the member's question is based on all kinds of things that she says she knows. I would say to the honourable member that she is alleging things that I have no reason to believe are true in their entirety. She is alleging that she knows what has taken place in terms of information, first of all, between Kingston and Dr LeBlanc, and between Dr LeBlanc and any political figures or others.

She is alleging things to be true about which I have some considerable doubt as to their accuracy. I would only say to her that she should not leap to conclusions on the basis of what she believes to be true. The purpose of having an inquiry is to establish the facts rather than to simply assume what the facts are.

Mrs Caplan: The Premier would know that, having been in a somewhat unique position of having received those briefings, I am very much aware as to the content of briefings from staff at the Ministry of Health. The minister herself, the Minister of Northern Development, in this House on December 11 admitted, "I asked the Ministry of Health for...information with respect to the underserved area program, which is public, and second, numbers with respect to the physicians or specialists who were going to be exempt, who were going to have a problem with the threshold in northern Ontario." That is what she said.

We know she has been fully and extensively briefed by Ministry of Health staff as well as by staff of ministers' offices. We know she has received, as she is entitled to as a minister of the crown, sensitive information. We know from what she has said was true in Thunder Bay—that is, what was actually attributed to her in quotes—that it is not possible that she fabricated all those concerns. Therefore, bits and pieces of it were based on facts from her briefings. She maliciously manipulated that information to tarnish the reputation of a specific Sudbury doctor. Is that conduct acceptable for a minister of the crown, and why has the Premier not demanded her resignation?

Hon Mr Rae: This question is a classic from the member opposite. She is drawing her own conclusions on the basis of what she thinks she knows. She says, "When I was a minister this is the kind of information I got; therefore I know what it is that Dr LeBlanc told any minister of the crown," which is in itself an absurdity. There is no logical connection between those two things. I say to the honourable member that the information the Minister of Northern Development asked for is information that is readily available. It is two kinds of information: First, who is in the underserved area program and how many doctors are there? Second, in terms of the numbers, how many doctors in which areas are going to be covered by this

capping area? Not the names, not the identity, not the who, not how much they are billing, none of those questions is there; the question is, what is available?

Interjection.

Hon Mr Rae: The member talks about manipulating. She is jumping from one set of facts to another set of facts and then reaching out to a third set of facts and saying, "How do you feel about that?" It is not a form of argumentation I can accept as the premise of a question.

Mr Eves: I have a question of the Premier. Why did he ask for Joan Smith's resignation?

Hon Mr Rae: The member is asking me to go back in time. Does he want to talk about all the other things that have happened? I would say to the honourable member that I am quite happy to answer questions with respect to the decisions I have made since becoming Premier.

Mr Eves: It is a very simple, short, succinct question that the Premier should be able to understand. Why did he ask for Joan Smith's resignation?

Hon Mr Rae: I would respond directly to the member by saying again, if he wants to get into an argument or a discussion about a whole range of things that took place, I would say why not ask someone over here why they did not do it? There are all kinds of questions that should be asked about the past.

1440

Mr Miclash: My question is to the Minister of Northern Development, and it is about health care in northern Ontario. Our health care system is one that is built on a delicate balance of interrelationships. It is a system where the fundamental basis is trust. Trust is actually the key to the whole thing, and the minister knows that. A patient's trust and a doctor's trust in his support services and in his ministers are all crucial to that system and for that system to work, particularly for us in northern Ontario. The fact of the matter is that the minister has totally violated that sacred trust with her highly personalized slander.

As Ontario's northern development representative, the minister's function in developing northern health care systems and recruiting northern health care practitioners is absolutely crucial to us in our ridings in the north. Her credibility with these people has gone. How is she going to continue as the minister responsible for these vital issues with no credibility in this field?

Hon Miss Martel: I ask the member to consider my track record, both in opposition and as a minister of the crown. If he goes back in opposition, he will know clearly that I and my northern colleagues were instrumental in working 18 months to go across northern Ontario to produce two very significant reports with respect to health care and our concerns about it.

Second, he will know that I have been a very strong advocate of the family residency program, both at Lakehead and at Laurentian, and was very pleased to visit the program at Lakehead about a month ago and meet with the staff and some of the doctors who are participating in that program.

Third, he will know that when I was in opposition, both the Treasurer and I fought very hard to get a specialist to come to the Cancer Treatment Centre in Sudbury. We spent a great deal of time lobbying on behalf of that centre to get that specialist to this community.

He would also know that in the last number of weeks, I have spent a great deal of time dealing with the Ministry of Health and the physicians in Sudbury to try to find a resolution to the particular problems in Sudbury with respect to the threshold. That is my record. I stand by it.

Mr Miclash: I am talking about today. I am talking about attracting health care professionals to the north, whom we need today and whom we will need in the future. The minister talks about her past. I would like to say that the Ontario Hospital Association just recently passed a resolution questioning this government's ability now to attract doctors to the north. I am talking about today and the incidents that have happened in the past two weeks or so.

The minister is going to be approaching medical graduates out of medical school to come to the north. What is the minister going to tell them? "Trust me as the Minister of Northern Development. Everything will be all right. You come and work in the north. We will provide for you?"

The people who have really suffered through this entire issue are my constituents, the people of northern Ontario, because of the lack of trust we now have in our Minister of Northern Development.

The minister went on about her record in the past. It is today that I am worried about. It is the trust that the other northern members have in the minister today. I think the real issue here is that maybe she could give good consideration to stepping aside so that we can get on with the real issue of providing health care in the north.

Hon Miss Martel: Very clearly, I am going to tell them that northern Ontario would be a wonderful place for them to come and practise. I fully supported the underserviced area program. It is the reason I spoke to those people who were recruiting during the underserviced area drive in the province some eight weeks ago.

Interjections.

The Speaker: Could the minister succinctly conclude her response, please.

Hon Miss Martel: I certainly think that once they come and practise in the north, whether it be through the residency program or through another program where they can experience the north, they will want to stay. I repeat to the member that I am very concerned about northern health care. I always have been. That is why I have committed to the group in Sudbury as well that I will continue to work with it to resolve a very important health care issue surrounding our community at this time.

Mr Eves: I have a question of the Treasurer, who is also the Deputy Premier and, as members will know, a cabinet minister from the Sudbury region. Has the Treasurer ever seen or been given any information about the billing practices of any Sudbury physician?

Hon Mr Laughren: No.

Mr Eves: Prior to the incident involving the Minister of Northern Development and Mines, has the Treasurer ever been told by anyone that charges were being considered against a Sudbury physician?

Hon Mr Laughren: No.

HUNTING OF WOLVES

Ms Carter: My question is to the Minister of Natural Resources. I recently read that he has reinstated bounties on wolves as a result of difficulties farmers have encountered with these predators which are causing damage to livestock. While I understand the need for the minister to be sensitive to the needs of farmers, many of my constituents are concerned about the indiscriminate hunting and trapping of wildlife which this policy seems to imply.

Hon Mr Wildman: The information the member has is incorrect. The ministry has not reinstated a bounty on wolves. The bounty has been illegal for many years. The problem with the bounty is that wildlife in the wild tends to reach a balance with the food chain. The more wolves that are shot, the more that are bred. As a result they continue in balance, so the bounty is not effective.

In dealing with nuisance animals, however, farmers are faced with a serious problem in that some wolves and coyotes on occasion attack sheep and other livestock and the farmers have to be able to protect their livestock. So what we have agreed to do, in negotiations with municipalities and the Ontario Federation of Agriculture, is to allow farmers, with the permission of their neighbours, to pursue specific nuisance animals on to their neighbour's property if necessary in order to destroy them and protect their own livestock.

MINISTER'S COMMENTS

Mr Phillips: My question is to the Premier. I think members can appreciate the issue has now become the Premier's issue and it is his judgement, his standards and his credibility that are now under scrutiny. What is clear is that on Thursday, December 5, the Minister of Northern Development and Mines publicly attacked the reputation of a Sudbury doctor. She alleged that she had seen his file—supposedly confidential—and that criminal charges would be laid against him.

Three days later, on December 8, a whole new story emerged and the minister said these comments were entirely fabricated. Knowing how crucial this case is to the Premier, I would like to ask him if the Premier's office has reviewed this critical case. Has the Premier's staff assured the Premier that there is no way the minister could have had access to or been informed of confidential information on the doctor in question?

Hon Mr Rae: I have relied on my conversations with the minister. I have asked the minister, "Have you seen any confidential information with respect to any doctor?" She has told me clearly, "No." I asked the minister very directly: "Have you had any conversations with people who have seen confidential information? Have you been told anything with respect to a particular doctor or any group of doctors with respect to their billing practices?" She has told me that she has had no such information.

I then asked her, "What took place on Thursday night?" She said: "It was the end of the day. I was very tired. I got into a very animated, heated discussion with Mrs Dodds and I lost my temper. That's what happened." I said: "If you tell me that's what happened, I believe you. You have to apologize very clearly for what has taken place, because it's not the kind of conduct which any of us can say is a great thing to have happened or we approve it or we condone it." The minister has indicated very clearly to me and to the House that she has apologized for what has taken place.

That is what I have done and what I think the honourable member would expect me to do in the circumstances, to speak directly to the minister in question, to get the minister to answer as directly as she can questions that I have put to her and that I am relaying now to the House, as I have on other occasions.

1450

Mr Phillips: The problem is that it strains the credibility of the situation when we have this almost unbelievable coincidence. I think it is unbelievable, but I will use the term "almost unbelievable." OHIP was asked to prepare information on certain physicians. That information was prepared and released to government officials. Almost at the same time, the Minister of Northern Development was in Sudbury and made a public accusation about a doctor. That is not in question. What I would like the Premier to respond to is, when he asked the minister to explain this incredible coincidence, what was her answer to him and why did he believe that answer?

Hon Mr Rae: The member seems to be saying it is almost unbelievable. I think the member has to tell us if he does not believe the minister and if he thinks the minister has told an untruth in this House. If he thinks the minister has misled the House, I think he has to say that. I do not think he can continue to hide behind the situation.

With respect to this question, the minister has told me that she has had no access to confidential information with respect to any doctor, that she does not have any confidential information with respect to the billing practices of one physician or another and that this information has not been shared with her. She got into a very heated exchange with Mrs Dodds about a situation that, I am sure the member will understand, has been an area of concern for people across northern Ontario. That was her explanation. It is an explanation I accept.

The Speaker: New question. The member for Carleton.

Mr Sterling: I have a question of the Premier. I have listened for the last two or three days in question period. He has used the idea that he is asking the Information and Privacy Commissioner to investigate this matter as a shield against taking any further action.

There are only two sections within the Freedom of Information and Protection of Privacy Act where the freedom of information commissioner has power to act. Section 52 has quite wide powers in dealing with an appeal from a citizen who has been refused access to information. The only other section is section 59, a general section which gives the freedom of information commissioner the right

to comment on practices within a ministry with regard to recordkeeping and giving of information. He has no powers to call or subpoena witnesses outside of or within the government.

I am very much concerned about the Premier's use of that office as a shield to keep us from getting to the bottom of this matter. Will the Premier consider withdrawing his request to the freedom of information commissioner as being inappropriate and call a full public inquiry or refer this to a legislative committee?

Hon Mr Rae: I have already said to the House and to the leader of the member's party that, at the end of his six questions, he asked me specifically about the question of a parliamentary committee. I told him I would consider that request or what else might be done in order to achieve a satisfactory resolution in the sense of what procedures can be followed to get at, as the member has said, the bottom of this. I want to assure the member I am not interested in shielding anything. I am interested, as much as anybody else, in finding out exactly what took place.

Mr Sterling: The act is quite specific in limiting the powers of the freedom of information commissioner under, for instance, the Statutory Powers Procedure Act to protect witnesses and people who would appear before such an investigation or inquiry. Given that the fact of the matter is that I believe the Premier is not utilizing the office of the freedom of information commissioner in the right way and the commissioner's job is not to point fingers at people and get to the bottom of matters but to make general recommendations with regard to his records under section 59, will the Premier immediately withdraw his request for the freedom of information commissioner to undertake an investigation in this matter?

Hon Mr Rae: I have a lot of respect for the honourable member, in particular for his knowledge and interest in this area. I think members of the House know that when he was a member of the Davis government, he played a role in trying to get such legislation considered by the cabinet.

I say to the honourable member that I am not going to withdraw the request instantaneously, immediately, in the House today, but I am going to consider the request that has been made by his party leader.

HOSPITAL SERVICES

Mr Kormos: I have a question of the Minister of Health. Down in Welland and Crowland the people are as proud as anybody could be about the Welland County General Hospital. I remember the campaign wherein public support was solicited to build that hospital. But over the years, people in that community, people in Welland and Crowland, have seen the quality of care decline, not because the people who work there do not care but because there have been cutbacks after cutbacks.

I was out helping the cystic fibrosis people sell their \$1 raffle tickets at Zellers down at the East Main Street Zellers mall on Saturday night. I tell members, all hell has broken loose in that community now that another 56 people have received layoff notices. We are not talking about

high-priced, high-wage people. We are talking about people in support staff and nurses and nurses' aides. We are talking about people who are very important to the standard of health care there. There have been substantial cutbacks in beds, and the community is very concerned about diminishing health care that is going to happen as a result of those cutbacks. Mr Barton says this is the result of underfunding.

The Speaker: Does the member have a question?

Mr Kormos: Of course, Mr Speaker.

I asked the Minister of Health—I spoke with her about this last week—what she is going to do to respond to the crisis that is imminent at the Welland County General Hospital and that I suspect is not unique but is shared by more than a few other hospitals.

The Speaker: Would the member complete his question, please.

Mr Kormos: That is my first question to the minister.

The Speaker: Would the member take his seat.

Hon Ms Lankin: May I say first of all to the member that I appreciate his interest in this issue and that of the people of his constituency. One of the things I need to point out, however, is that although the language that is used in the hospital community frequently refers to cutbacks in health care spending over the years, in fact if we look at the record with respect to the hospital community, there has been an average increase, year over year, of about 10% in hospital budgets and in transfer payments to hospitals. This year, while some hospitals are saying they have experienced cutbacks, there was over \$600 million transferred to hospitals, and it was about 9.5% in terms of our health care budget. We have reached a point where we have to look at how we are spending our money in the health care sector and a whole range of priorities, and it means some restructuring of the hospitals.

I am concerned when I hear hospitals' first inclination in dealing with the deficit problem is to lay off front-line workers. One of the things I have done on a regional basis is ask district health councils to bring all the hospitals in the region to the table to sit down and look at their deficit recovery plans and what other ways those can be achieved without looking first at layoffs of front-line workers.

Mr Kormos: Margaret Clark, president of Local 89 of the Ontario Nurses' Association, says, and I do not think anybody here is prepared or in a position to disagree with her, "These cuts will develop a crisis in morale and will bring patient care down to a dangerous level." Tom Small, representing yet another group of workers at the hospital, shares those concerns.

My question is simple. The fact is that these people in the community of Welland are the ones losing their jobs and the patients in that hospital are not having the attendant staff to take care of them. Will this minister meet with those people, the representatives of the workers, both unionized and non-unionized, concerned people in the community—people like Mrs Scozzafave's daughter, who stopped me on the street just last weekend—and talk with them so they can share their concerns and get some direct responses from the minister? The community has some

genuine concern that has to be addressed. It cannot be swept away.

Hon Ms Lankin: Let me say to the member directly that I hope he will play a role in helping to convey information to the community. I have met with the district health council in that community. The DHC has been and will continue to meet with the hospitals to review deficit recovery plans and attempt to bring about a rational approach on a regional basis. I think as we go through the next year or so these difficulties are going to become even more pressing on all of us.

I can assure the member that through the hospital funding review we are undertaking, with full partnership from the hospital community from front-line workers and their representative unions sitting at the table together, we are looking at the overall pot of moneys being transferred to the hospital sector and how that can be done on a more equitable basis. One of the things that has been happening is that among hospitals the allocations of dollars do not often reflect what is the true work being done in those hospitals.

While I appreciate his request, I will ask the member to convey information at this time and I will continue to try to work with the community to resolve the problem.

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MINISTER'S COMMENTS

Mr Conway: My question is to the Premier. I am quite intrigued by an answer he gave about half an hour ago to the leader of the third party indicating a willingness to consider an investigation of the Martel affair by a legislative committee of this assembly. Obviously the Premier is thinking about doing this, and I think it would be a very wise thing for the Premier to do.

As he ponders that possibility, I expect the Premier would take note of a certain pair of precedents that go back just a few years when all-party committees of this Legislature with opposition majorities investigated the cases of my colleagues, the now member for Oriole and the former member for Cochrane North. Certainly, in the case of the member for Oriole, she immediately resigned pending that particular legislative inquiry.

My question is very specific. In any favourable consideration of a legislative investigation of the Martel matter, surely the Premier would agree that in that eventuality he would expect or insist that the Minister of Northern Development stand aside from her ministerial responsibilities as a minimum pending that legislative examination of the affair?

Hon Mr Rae: I said I would consider the proposal put forward by the leader of the third party. I think the proposal has certain precedents in this House. There are some questions, however, I have raised with respect to the work of the commissioner with regard to getting to the bottom of things as well.

I am concerned about the two things not getting in the way of each other. The honourable member the minister has clearly apologized for what has taken place, and I think in the circumstances that the two things are not nec-

essarily related. The minister and others can have their conduct questioned and can have other kinds of questions asked with respect to what has taken place, and that is the premise upon which I believe the question was put to me by the leader of the third party.

Mr Conway: I have no idea what the Premier means.

The Speaker: The time for oral questions has expired. Would the member take his seat, please.

INTRODUCTION OF BILLS

CO-OPERATIVE CORPORATIONS STATUTE LAW AMENDMENT ACT, 1991 LOI DE 1991 MODIFIANT DES LOIS EN CE QUI CONCERNE LES SOCIÉTÉS COOPÉRATIVES

Mr Charlton moved first reading of Bill 166, An Act to amend the Co-operative Corporations Act and the Landlord and Tenant Act with respect to Co-operatives / Projet de loi 166, Loi modifiant la Loi sur les sociétés coopératives et la Loi sur la location immobilière en ce qui concerne les coopératives.

Motion agreed to.

Hon Mr Charlton: I rise today to move first reading of amendments to the Co-operative Corporations Act, 1991.

This bill is designed to encourage the development of more co-operatives in Ontario, especially in such areas as housing and worker co-ops. It also enhances the role these community-based, democratic institutions can play in rebuilding our economy.

In particular, the amendments recognize worker co-ops as businesses owned and operated by workers. The bill entrenches the democratic nature of worker co-ops, in which each member has only one vote regardless of the number of shares held.

The amendments also preserve non-profit housing co-operatives so that they cannot be sold or turned into profit-making businesses. The bill also ensures members receive similar protection as tenants in privately owned rental accommodations while preserving the distinctive character of co-ops and member control.

The bill was produced following extensive consultation with representatives of the co-op movement. I urge all members to give their support to this legislation when we get to debate it here in the House.

The Speaker: Orders of the day.

Hon Mr Cooke: I would like to call the government orders 36 to 47, which are the concurrences. By consent, we are going to do them all in one package for the next six hours.

Clerk Assistant and Clerk of Journals: Concurrence in supply for the following ministries: Labour; Industry, Trade and Technology; Housing; Transportation; Skills Development; Northern Development and Mines; Natural Resources; Health; greater Toronto area; Energy; Agriculture and Food; Financial Institutions.

Hon Mr Cooke: I believe we have to revert to introduction of bills. The leader of the third party has a bill. I believe we also have a report from a committee. Could we

revert to reports from committees as well as introduction of bills?

The Speaker: Is it agreed to revert to reports by committees?

Agreed to.

REPORTS BY COMMITTEES

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

Mr Sutherland from the standing committee on finance and economic affairs presented the following report and moved its adoption:

Your committee begs to report the following bill without amendment:

Bill 156, An Act to amend the Financial Administration Act / Projet de loi 156, Loi modifiant la Loi sur l'administration financière.

Motion agreed to.

Bill ordered for committee of the whole House.

The Speaker: Is it agreed to revert to introduction of bills?

Agreed to.

INTRODUCTION OF BILLS

WEST NIPISSING ECONOMIC DEVELOPMENT CORPORATION ACT, 1991

Mr Harris moved first reading of Bill Pr119, An Act to establish the West Nipissing Economic Development Corporation.

Motion agreed to.

CONSIDERATION OF BILL PR119

Hon Mr Cooke: Before we go to orders of the day, by unanimous consent I have a motion I would like to move to facilitate the introduction of the bill by the leader of the third party.

Mr Cooke moved that standing order 85 respecting notice of committee hearings be suspended for the consideration of Bill Pr119 by the standing committee on regulations and private bills on Wednesday, December 18, 1991.

Motion agreed to.

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ORDERS OF THE DAY

CONCURRENCE IN SUPPLY

Mr Cooke moved concurrence in supply for the following ministries and offices:

Ministry of Labour;
Ministry of Industry, Trade and Technology;
Ministry of Housing;
Ministry of Transportation;
Ministry of Skills Development, votes 3601 and 3602;
Ministry of Northern Development and Mines, votes 3001 and 3002;
Ministry of Natural Resources;
Ministry of Health;
Office for the greater Toronto area;

Ministry of Energy;

Ministry of Agriculture and Food;

Ministry of Financial Institutions.

The Speaker: Is there any discussion?

Mr Conway: Just a moment if we can. I came here today and I am quite anxious to get involved in this, but to be told that really there is no business decided until two seconds before the order is called is a little difficult.

Hon Mr Cooke: That's not true, Sean. Your staff was told at the beginning of question period.

The Speaker: Order.

Interjection.

The Speaker: Order, the member for Guelph. The Speaker is at a disadvantage in that the Speaker is not aware of arrangements made by House leaders. If it will assist the business of the House, we could recess for 10 minutes. Would that give people an opportunity—no?

Mr Conway: Let's just calm down. I want to speak, for example, on concurrence for the ministry of justice. It may not even be on this list. I do not think I heard the clerk mention it. Maybe we should take a recess and figure out what is on this list.

The Speaker: We will wait patiently. I am sure the members in a few moments can begin a discussion. All the items are being dealt with as one package. You may speak to any of them at any particular time.

Mrs Witmer: At this time I would like to speak to the Labour estimates. In the original comments the Minister of Labour made to us in June, he indicated there was a need for labour and management to work together in a spirit of partnership, and also there was a need to reshape the long-standing confrontational approach to labour-management relations.

I would like to indicate at this time that I certainly agree with the Minister of Labour. However, I would like to remind the minister this is going to take time. Many of these attitudes have taken years to develop and we cannot ever hope to change them overnight. We need to be sensitive to both employees and employers in all we do. I would encourage the minister to proceed slowly and clearly demonstrate that he is prepared to seriously consider the views of both labour and management as he develops his policies.

Mr Eves: On a point of order, Mr Speaker: I hate to interrupt the member for Waterloo North, but I believe we have agreement among the three House leaders to divide the time equally during this concurrence debate.

The Speaker: Is it agreed to divide the time evenly three ways?

Agreed to.

Mrs Witmer: I remind the Minister of Labour that it is prudent to remember that historically changes to Ontario's labour and employment legislation have evolved after a very thorough process of consultation with sufficient time for meaningful input.

Given the present economic climate, his ministry must also start asking itself questions. Can we afford to do what

we are proposing at the present time? Will what we are proposing to do lead to further job losses? These are the issues we need to take a look at.

I am very concerned about the impact of some of the new policy changes on jobs. Although I support the aim of much of the legislation, I am very concerned that changes such as those proposed for the Labour Relations Act will do absolutely nothing—I repeat, absolutely nothing—to protect workers' jobs and will only further serve to discourage job retention and creation. We must remember that this is a very challenging and a very troubled time for the business community in Ontario. I am reminded of that constantly as I learn of yet another plant closing in my community and the loss of jobs for men and women. We have seen an exodus of business to the south. We need to stop that flow. We need to curb the loss of jobs for our people.

The Deputy Speaker: Please tone down your conversations so I can hear the member for Waterloo North.

Mrs Witmer: Unfortunately, some of the proposed policies are contributing to economic uncertainty and a very poor investment climate in the province. They are going to increase the cost of doing business, or they are perceived to increase the cost. If the government's proposed policies cause business costs to increase at a faster rate than in the United States, it is going to become even more difficult to compete with our neighbours than it is now. This is not only going to encourage new investment to leave Ontario; it is going to encourage more relocation of existing businesses and is going to contribute to further job losses and hardship for people in our communities. If we are to protect the workers and their jobs, we must be cognizant of the fact that business concerns about all the proposals, such as the Labour Relations Act, and their impact must be considered and included in the drafting of all new legislation.

I would like to address now the Labour Relations Act reforms. The time line for consultation has been set at February 14. I do not personally believe this gives sufficient time to allow for the type of broad or meaningful process of consultation that is necessary, because there are many far-reaching ramifications. I am also very concerned that my own community of Kitchener-Waterloo was not included as one of the locations. There are many varied businesses in Guelph, Cambridge, Kitchener and Waterloo and it is unfortunate that those businesses will not have access and an opportunity for input.

I am concerned about the potentially damaging consequences to the Ontario economy, as has been emphasized by the business community over and over again. I urge the minister to fully consider this and I ask him not to make the same mistake again as he did with Bill 70, when he acted in too much haste and without true consultation. I again remind the minister that it takes time to develop a spirit of partnership between labour and management, and it is going to take a long time to develop trust and understanding. The process that is used to reach that goal is going to be critical to the success if we want to level the

playing field and create co-operation between management and workers.

I remind the minister that these proposed reforms have the potential to do irreparable harm to the very fragile industrial fabric of Ontario. I encourage him to extend the consultation process. I encourage him to do everything possible to restore the confidence of the business community in order that people can be assured of secure jobs, because I am concerned that after Christmas we are going to see many more closures of businesses and stores in the province.

1520

I have concerns about the proposed changes to the minimum wage. This government has proposed, over a four-year period, to increase the minimum wage from the current level of \$5.40 an hour to 60% of the average industrial wage. If that policy were in effect today, the minimum would be \$7.20 an hour.

We all know this commitment has sparked concern about the impact of such an increase on the province's competitive position and job creation rates. In fact, a study done by the University of Toronto's Institute for Policy Analysis indicates that the promise to increase the minimum wage to 60% of the average industrial wage is going to cost Ontario 53,000 jobs. Who is going to be impacted the most? The people who can least afford it, women and young people.

I have some concerns about training and retraining programs for workers. These are primarily to enable them to compete in an increasingly global market. We have a shortage of useful and effective training programs for workers, particularly older and immigrant workers, and we need to do much more to develop an economy in which our workers and our businesses are skilled and flexible in effecting change. We need to approach training in a different manner than we are presently doing in order that our people are prepared.

I would like to share some of my concerns about the Workers' Compensation Board at this time. The level of service needs to be examined, as well as the underlying reasons behind the deplorable levels of service that all our constituency offices hear about on a day-to-day basis.

The unprecedented changes and the reorganization have left the Workers' Compensation Board spinning out of control. It is time to apply the brakes and for good management to take hold. Major legislative, organizational and policy changes have taken place since 1984 and this has caused tremendous upheaval. The focus should now be on improving the service that is offered by the WCB.

There needs to be a complete moratorium on the development of new policies. We have seen hundreds of new policies developed over the last few years. We have seen administrative changes. It is time that the WCB staff are there and that they take the time and training to ensure they understand the new policies and are able to apply them fairly and consistently. What we do not need is a task force out on the road for six months looking at the inclusion of stress. That is totally unnecessary when there is already so much upheaval and this board is totally out of control.

It is time to take a look at the cost of the WCB. We have seen that go up to \$9.9 billion in the area of the unfunded liability. The costs are totally running out of control. There needs to be a complete assessment of the board's financial and service operations to assist the administrators in their planning, and we need to deploy our resources much more effectively.

There is concern about the WCB's implementation of recent legislative reforms. Yes, it is extremely important that the WCB take a look, that there be a complete re-evaluation of the services it is offering and that it become more responsive and much more accountable, particularly financially, to the people it serves. We hear workers and employers continually, every day, phoning our offices to complain about the services that are provided.

I would like to conclude my remarks by saying that if we are ever going to restore prosperity to this province, if we are ever going to provide jobs for those people who are unemployed—just last week I received letters from people wanting to meet with me to help them find a job; they are desperate—if we are ever going to establish the true partnership and the co-operation the minister is looking for, if we are ever going to prepare our workers to compete in the increasingly global market, we should not only focus on creating new jobs; we must ensure that we retain the jobs we already have.

If we are going to do this, we must ensure that we do not burden the business community with additional taxes and costs and that we do not introduce legislation that is going to cause more distress in this province. Only if we do this and very carefully take a look at the consultation process and at the labour relations reforms, can we ever restore, next year or the year after, prosperity to this province.

Mr Turnbull: My comments are addressed to the Minister of Labour, who knows very well that I have asked questions in this House, with very unsatisfactory answers, with respect to the Workers' Compensation Board.

On December 4, I asked for confirmation from the Minister of Labour about the letter of intent that had been signed to lease 500,000 square feet of prime new office space in downtown Toronto within a complex that is known as the CBC Centre. The minister did not respond to my question in terms of the cost of the rent or the add-ons. The estimates we have put together are that it would be in the region of \$25 per square foot net for the rent, plus an additional \$18 a square foot for taxes and operating costs, or \$22.5 million.

I did considerable research on this and found that many developers would be pleased to offer built-to-suit offices to suit the Workers' Compensation Board requirements outside the downtown core which could be built for \$15 a square foot net, plus the add-ons would be something in the order of \$8 a square foot net, and that would mean the total cost would be in the order of \$11.5 million per year, so there could be a saving, conservatively, of \$10 million per year.

The argument that is made by the ministry is that it must be in downtown Toronto and must be on a subway route. I suggested to them that it could be very close to a subway route in the northern parts of the city, and that if it

was not immediately on a subway route they could provide a shuttle bus that would be capable of transferring people in wheelchairs or anything. The technology exists to easily do this today. They could still come out with at least \$10 million worth of savings per year, \$10 million that the minister has chosen to ignore, \$10 million that should be used to help the people in need, to help the hospitals that are underfunded by this government, to stop the layoffs of nurses that is occurring under this government and to fund the police forces around this province, particularly the Ontario Provincial Police, which is chronically underfunded.

I have been told that around this province, after 4 o'clock in the morning, some nights there are 15 police on duty with the OPP between Windsor and Toronto. It is a shocking fact that here is a government that is spending \$10 million more per year on a building, and yet is ignoring the needs of people in hospitals and the need of all people for proper protection by the police.

This very same board, the Workers' Compensation Board, has significant unfunded liability, and we know that nepotism is rampant throughout the Workers' Compensation Board.

1530

I refer to an article from the Toronto Star dated November 25: "Among the newly hired are people close to Gordon Wilson, president of the Ontario Federation of Labour, and his predecessor, Cliff Pilkey."

It goes on to say: "Wilson's daughter Susan, 22, and 23-year-old Marty White, son of Pilkey's friend Judy Robbins, have just been hired to jobs paying salaries of \$57,000 a year plus generous benefits."

I find it absolutely unconscionable that a government that is complaining that it does not have enough money to fund the police force and hospitals is allowing an arm of the government to run wild with nepotism. Incredible amounts of money are being spent on people who are just out of school and are being paid sums which can make the heads of the average inhabitants of this province spin.

The increase in the amount of space they are going to occupy is of the order of 50%, and I suggest that at a time of very great difficulties in this province most companies are saying, "Okay, we will not increase the amount of space we have per employee, and typically we have 100 square feet per employee." This ministry is okaying the Workers' Compensation Board going up to 50% more than this.

I really have to question the minister as to what sort of controls he is putting in place to stop the abusive use of taxpayers' money and what he is going to do to immediately stop the nepotism in this ministry.

Hon Mr Pouliot: That's a little strong. That's bull.

Mr Turnbull: I hear the Minister of Transportation saying, "That's bull." Well, the facts speak for themselves. I challenge any minister of this government to suggest that the Board has not spent \$10 million per year more than it needs to for this new office building. I challenge them to suggest it is untrue that nepotism is running wild through the Workers' Compensation Board.

Mrs Caplan: Many of my constituents, I think, will be wondering what this debate today is all about. The debates

of concurrence are the opportunities for members of this House to review the plans of the different ministries and then vote in agreement with the policies, the practices, the plans and the intentions.

Today we are discussing concurrence in a number of different ministries and in different policy areas, and the one I would like to address specifically is concurrence in supply for the office for the greater Toronto area. The reason I have asked to speak during this important debate is that it is important for my constituents and the people of this province to understand and participate wherever they can in the kinds of debates that are going on in this province about issues that affect the greater Toronto area.

I wanted to take this opportunity to explain why the greater Toronto area office was established. It was established under the Liberal government, and it was established because the greater Toronto area is very different from just Metropolitan Toronto. The greater Toronto area includes the regional municipalities of Durham, York and Peel. The greater Toronto area extends from Hamilton on the west to Oshawa on the east, and as far north as Barrie.

Within that area lives almost 45% of the population of this province. That particular area, the greater Toronto area, generates nationally 20% of all the income tax and 20% of all the economic activity in this country. That is the reason we refer to the GTA as the engine of this country and as the engine of this province. That is why the activities that take place in the areas of infrastructure renewal, waste management, transportation planning, urban planning, density and economic incentive for business have an effect right across this province and right across this country.

Those of us who live in the greater Toronto area—I live in the city of North York, which is in the greater Toronto area, and I represent the great riding of Oriole, which is right in the middle of the GTA—when we travel and people say, “Where are you from?” we tend to say, “I’m from Toronto,” and we mean we are from the greater Toronto area. We know the importance to business, industry, commerce and economic activity of things that happen in the greater Toronto area. We know the importance of the decisions the government makes in stimulating economic activity and creating jobs. The reason it is so important to all of us is that it is a reflection of our quality of life.

In order to have a good quality of life, people have to have jobs. People have to have housing. They have to have bridges. They have to have good roads. They have to have public transit.

In order to have a good quality of life we want to have neighbourhoods. We want to have communities. We want community centres. We want to be able to put our garbage out and have it taken away and processed and looked after in the most environmentally sensitive way. Environment policy is also economic policy.

We know the great innovations and new technologies that are being developed. We know the impact these new technologies. Whether it is new street lighting, how we dispose of our garbage, how we build our subways, how we build our roads, what kind of new transportation initiatives we have under way, we know that all these things affect our quality of life.

My constituents are just beginning to ask questions about planning in the greater Toronto area because they are reading in the newspapers and they are hearing discussions about the great changes that are taking place in our society. They are reading articles about the Crombie Royal Commission on the Future of the Toronto Waterfront, they are hearing discussions about lakefilling and they want to know what that is all about.

During this debate on concurrence for the office for the greater Toronto area, I can hopefully tell them that a lot of work is going on and a lot more work should be going on, not only about how the waterfront is developed and how downtown Toronto responds to the rapid changes but how we are going to plan for transportation needs within the greater Toronto area, whether we are going to have urban sprawl and spread throughout the GTA or whether we are going to have a nodal concept of planning.

1540

These are the questions that must be answered now. We know the population of the greater Toronto area will increase. We know the demands on our roads and the demands on our public transit systems will increase. We know the demands on our water pipes and our sewer mains—or our watermains and our sewer pipes—will increase, and we should not get those confused.

Hon Mr Pouliot: You lose so much in the translation. I understand.

Mrs Caplan: The member knows what I am saying. I remember my days as a member of North York council, where they had to deal very specifically with ensuring that the pipes are there, both the water pipes and the sewage pipes, and where they have to deal with the taking away of the garbage and the planning for playgrounds and new roads in their communities.

We know that Metropolitan Toronto council is also grappling with the issues beyond the city of North York, in the municipalities of Etobicoke, Scarborough, East York, North York, those municipalities that make up Metropolitan Toronto. Metropolitan Toronto council looks at a bigger picture than the city of North York council looks at. The city of North York looks at those things which affect just the city of North York; Metropolitan Toronto council looks at those things that affect all the municipalities, those six I mentioned, that make up Metropolitan Toronto.

We know that the decisions Metropolitan Toronto make might have an impact on the region of Durham, York and Halton. We know that area immediately surrounding Metropolitan Toronto is interested in transportation planning, urban planning, rapid transit, highways, sewers, garbage disposal and a good, clean water supply, as well as those issues that affect the cities within those regions, whether it be Oakville, Brampton, Vaughan, Oshawa or Whitby. We know how important it is for the leadership in Halton, Durham, York and Peel to work together with the leadership within Metropolitan Toronto and to co-ordinate their efforts and meet those challenges that are facing such a large population today and projected for the future in this place we call the greater Toronto area.

We see all around us issues which can only be resolved by getting those folks to come together and work together. We know there is an important role for the provincial government to play, a leadership role, a facilitating role and a role of bringing together people who have common interests and helping them to find the solutions to the problems facing our society. Many of those problems cross the boundaries of those different municipalities.

They cross the boundary from Halton to Peel to York to Durham to Metro Toronto. We need to look at co-ordinated and integrated planning for affordable housing and for social housing. Where should the density go? Where should we build the nodes where people will live and work? Where should we put the transit lines? Public transit does not stop and should not stop at the border of those municipalities. People should not only be able to travel from Oakville to downtown Toronto; they should also be able to travel out to Oshawa. People from Richmond Hill cross the boundary at Steeles Avenue, which is in my riding, people from Markham cross the boundary into Metropolitan Toronto and people from Metropolitan Toronto live and work in those municipalities that make up the GTA.

We need the kind of co-ordination to bring together GO Transit, the TTC and the regional transit authorities; not to fight over whose turf this is and who is going to be responsible, but to say: "How can we work it out together? How do we decide within the greater Toronto area which are the transportation priorities? Should Highway 407 go before the expansion of Highway 404?" I know the Minister of Transportation is here today and I am pleased he is here for this debate. Transportation is very important.

I was in Brampton this morning, talking to the new mayor of Brampton who served on that city council for 15 years. He said: "We're worried. We need the 407 to come to Brampton. It was supposed to be here by 1996 and now we have heard a rumour it might not be here till the year 2002. That will have a detrimental effect on our municipality." The Minister of Transportation must understand the link between the building of roads and highways and public transit and economic prosperity.

The minister is not just moving people; he is building economic infrastructure which will lead to prosperity in this province. He must give to the municipalities in the greater Toronto area the confidence that he knows what he is doing, that he speaks to his colleague the Minister of Industry, Trade and Technology, that he understands the important role of the minister responsible for the greater Toronto area to ensure that his plans are co-ordinated, so that whether he is extending a highway or building new public transit lines, he understands he is creating economic activity.

One of the concerns I have is that the new government does not understand that link between its capital spending and economic prosperity, that it does not understand the tools that are available to it as it does its planning for transportation and economic prosperity, that it cuts back on its plans for the building of roads and transit and will cut back on the prosperity possible in this province as people look to the government to bring forward the kinds of plans they can count on.

For example, the cancellation of the Red Hill Creek Expressway has had enormous implications for the city of Hamilton. I see the minister shakes his head. He understands what I am saying. In the midst of a recession the city of Hamilton was doing quite well. They knew they were going to have an expressway that was going to spur economic activity for them. With the cancellation of that expressway, Hamilton went into a tailspin. The rug was pulled right out from under them.

I use these metaphors deliberately because these are examples this new government does not understand: how infrastructure, highways, roads, public transit and subways have such a huge impact on the confidence people have to invest in this province. The building of bridges, the maintaining of our roads and the building of sewer pipes and watermains have a lot to do with our economic prosperity in this province.

I thought this government understood a little about that when we first saw its anti-recession package. But when I have seen them not looking at containment of their operating expenses, which is what they should be looking at, that is the concern we all have. They have fuelled the operating expenses with big increases in wages for civil servants that sent a ripple right through all of the transfer payment agencies, through the hospitals, the universities, the colleges and the municipalities.

1550

People in this province said, "If the provincial government can give the civil servants a raise, we too should have a raise." That has fuelled an escalation of the operating expenses through all the transfer payment agencies, and that has fuelled a crisis in confidence in this province because today the government's operating expenses are out of control.

The problem is that rather than looking at containing new programs, we saw the province expand its expenditures by \$1.5 billion on the operating side. We saw a recent policy on child care where the government found \$75 million, and not to just provide for the kids. What the NDP did was allow its ideology to get in the way and improperly, in my view, force people providing good quality child care service out of business.

Government policy will result in the loss of jobs, the loss of service, the loss of day care spaces and child care spaces. That money could have been used better in the provision of infrastructure, in bricks and mortar. That money could have been used better in providing services for those children rather than in the way the government provided that money.

It is extremely important that they understand the impact in the greater Toronto area of the policies they are making as a government. I mentioned transportation, the planning for subways. My constituents are very interested in the Sheppard subway. The reason they are so interested in the Sheppard subway line is that they know it will help move more people, give them access from North York Civic Centre to the existing subway lines travelling right across Sheppard Avenue out to Scarborough Town Centre.

They believe it will relieve some of the congestion on our roads today, because Sheppard Avenue and Finch Avenue

are two of the heaviest-travelled areas in this city, in this greater Toronto area. The volume of traffic is very high today.

My constituents also know that, as York region just to the north of us expands, more people want to get to downtown Toronto. Unless we have good public transit there, not only will they not be able to go east-west, they will not be able to go north-south. So my constituents, and I speak on their behalf today, also support the looping from the Spadina line to the Yonge Street line, because that will accommodate many of the people who are today living in York region and give them access to public transportation in Metropolitan Toronto. It will be important to have the linkages from York region to those lines.

Having talked about the transportation component, my constituents are also aware that subway construction will lead to economic prosperity as well. Subway construction not only moves people; it will say, "This is where the economic activity should take place." Along that line, we have already today high-density housing in many areas, but we have some areas where we could have affordable housing. We have some areas where we could have business activity, because we want people to live and work in an area where public transportation is readily available to them.

The government's transportation planning and its transportation policies are about economic renewal and economic development. Never think for a moment that the role of the minister responsible for the greater Toronto area does not have a lot to do with not only the transportation policies which will move people but also the policies about economic renewal and economic development in the part of this province which is the economic engine.

I want to address myself as well to the building of infrastructure around garbage, because garbage can be a resource. Each of the municipalities in the greater Toronto area collects the garbage and each wants to have it disposed of in the safest and best environmental way. I would say to the minister responsible for the greater Toronto area that she is missing an enormous opportunity when she does not see the resource potential of our waste. Waste management is an issue where she should be bringing together all the people from the greater Toronto area to work together. I fear that Bill 143 has not done that.

Probably one of the greatest needs in the greater Toronto area is for new sewage capacity. That is also a responsibility of the Minister of the Environment, because along with sewage capacity comes the higher densities that allowed for affordable housing to be built. But before the minister can do that, she has to have the agreement of those at the municipal level who are making the planning decisions about what is appropriate density for their communities.

When I met with the mayor in Brampton this morning, he said they have an area set aside: Springdale, 75,000 people, at a density, he said, which is considered by the minister responsible for the greater Toronto area as the appropriate density. The people on local municipal councils are very aware of their need for tax revenues so that they can provide the kinds of services to their communities.

One of the things the mayor of Brampton said to me today was that he was very concerned because he has not heard from the minister responsible for the greater Toronto

area, he has not heard from the Minister of Housing regarding the Chinguacousy Health Services Centre, the comprehensive health organization and ambulatory care centre which I had expected would be well under way by now.

He has not heard from the Minister of Transportation regarding the extension of Highway 407 to give them security that it will be in place by 1996-97 as expected. He has not been able to get an answer from the Ministry of Industry, Trade and Technology, the Ministry of Transportation or the Ministry of Government Services about a piece of land that is needed by the trucking industry to develop a terminal on Highway 10 at Steeles Avenue. They say that if they do not have that answer within two weeks, this proposal, which will generate jobs and economic activity in Brampton and southern Ontario, will be lured away by New York state.

It is the minister's job, as minister responsible for the greater Toronto area, to cut the red tape. It is her job as minister responsible for the greater Toronto area to get answers for mayors in local municipalities and to get answers for regional chairman. On this international trucking depot, the region supports it and the city of Brampton supports it. All that is required is a piece of land the government of Ontario owns and has declared surplus to its needs.

The land is now Ministry of Transportation land. It has to be transferred to the Ministry of Government Services. It should be of interest to the Ministry of Industry, Trade and Technology. Surely the minister responsible for the greater Toronto area can cut that red tape. She can say, "We will make this land available at market value," to save jobs and produce jobs in southern Ontario and in the greater Toronto area.

1600

Yes, it will require some action and some activity. My colleagues from Brampton, the member for Brampton North and the member for Brampton South, have been actively advocating to all the ministers in the government to take some action. The new mayor of Brampton, Peter Robertson, told me his inaugural address—he gave me a copy of a letter he sent to the Premier—pleads with the government to take some action, in partnership with them, to save this project for the people of the greater Toronto area. During this debate on concurrence, it is my opportunity to ask the government to do that. That is the government's responsibility.

There are many municipalities within the greater Toronto area willing to come to the table. They need to have advice and direction. I know that while there is much expertise within all the ministries, they sometimes need some skills and talents which are not available within the ministries to bring all these experts together around the table. That was the reason former Premier David Peterson appointed Duncan Allan deputy responsible for the waterfront and gave him the authority to second different experts from the ministries to come and work with people outside government to find solutions. That was why Gardner Church was appointed deputy minister for the greater Toronto area.

We know there is airport planning that has to be done and transportation that must be done and put in place. The plans were well under way, much of the work has begun

and what I am hearing now is of great distress. What I am hearing now is that a general state of paralysis exists with the ministries because of the difficult economic times. Exactly the opposite should be happening. This should be a time of activity. This should be a time when those plans that were well under way come forward as action plans. That is how they will send the message to the business community in this province that Ontario is a good place to invest.

The government must have confidence in the business community if we are going to pull ourselves out of this recession. The government must have confidence in its partners in the municipalities of the greater Toronto area. The government should listen to them. They know what they are talking about.

I understand the government rejected outright a proposal for the establishment of a waste authority, and did it in a different way. It is the government's prerogative to do it in a different way, but when it gets advice and everyone agrees except the government itself, maybe something is very wrong. Maybe the government is not consulting as well as it thinks it is. Maybe it is not listening as well as it should, because there is much expertise at the municipal level and there is much expertise at the regional level.

Many of those municipalities have engaged excellent consulting firms. I know the government's own ministries have also been talking to—

Mr Turnbull: On a point of order, Mr Speaker: It is the government's responsibility to keep a quorum in the House while we are debating these important issues. I do not believe one exists at the moment, Mr Speaker.

The Deputy Speaker ordered the bells rung.

1606

The Deputy Speaker: A quorum is present.

Mrs Caplan: I believe there are many issues of great concern to people in the greater Toronto area, but no issue is of more concern than the lack of confidence the business community has in this new government. No issue is of more concern than the lack of economic activity that is being generated by the policies of this New Democratic government. No issue is of more concern to my constituents than the worry they have that they may not have their own jobs tomorrow because of the policies of this new government. They believe, as I do, that the NDP is not responsible for this recession, but it is responsible for exacerbating, for making worse the difficult situation we are in, by its lack of action in so many areas.

During this debate on concurrence, I would like to say to the minister responsible for the greater Toronto area, and to all the ministers in the Premier's cabinet, that they must do better. They must do better so that my constituents will not have to worry about whether they will have a job tomorrow. Now is not the time to bring in new labour legislation. Now is the time to bring in the kinds of proposals and activities that will see that people have jobs tomorrow. Now is not the time to bring in policies that will convert one day care centre to another type of governance. Now is the time to bring in infrastructure renewal policies within the greater Toronto area that will see roads constructed, bridges built and sewers established.

On behalf of my constituents in the riding of Oriole, I want to say that I do not concur with the policies of this new government, that it has not brought about confidence from the business community and has not brought about confidence from my constituents. I ask the New Democratic government to reconsider many of its ill-considered policies so that we in Ontario can look forward to a brighter future than the future we foresee without the leadership and guidance we all expect from our government.

I specifically say to the minister responsible for the greater Toronto area that I will be watching to see what she does. When she does it well, I will support her, and when she does not do it well, I will criticize her. I am available to offer her my advice and assistance, because my interest, the reason I entered public life, was to make a positive difference in the quality of life, to make a positive difference in the future of Ontario.

Mr Stockwell: I am rising today to discuss further, in much the same tenor as the last speaker spoke, with respect to the GTA in my role as critic for the GTA.

Having spent a number of years on Metro council and Etobicoke council, there are many GTA issues I have become familiar with. In the past I have offered up some pretty specific recommendations. Considering the previous five years and the lack of action by the previous government, I felt we would be in for a far more proactive approach to the concerns that face many people in the greater Toronto area.

I think most people would agree that Toronto today is a very different city from the Toronto I knew when I was first elected in the early 1980s, and even before that. Toronto today is a much different city from Etobicoke, North York, East York, York and Scarborough, and branching out, those areas such as Durham, Peel, York and Halton making up the GTA.

Ten years ago or longer, some of the issues we faced as a city and as a metropolitan area were far different. Crime was not an issue impacting the residents in that area to nearly the same degree it is today. Crime is a very real concern, a very real issue for a great number of people who live in the greater Toronto area and Metropolitan Toronto proper. It is an issue that I think has not been addressed by this government and that is probably focused far more on Toronto itself and Metropolitan Toronto. Crime is an issue people speak to me about at my constituency office, on the phone and on the streets in Etobicoke and wherever I may travel: neighbourhood crime and neighbourhood safety and back to a more basic approach to crime.

One of the issues I remember hearing about in this House was that the Attorney General had instituted a new policy for people. It was a trial policy—I believe it was going to start in North York—where if they caught somebody who was involved in breaking and entering, B and Es as they are called, there would be a different approach to how that person would be dealt with through the judicial system. He felt it would be an appropriate measure and form that if the person who was caught and charged sat down face to face with the people whose house or business

he broke into and apologized for breaking in and stealing their products, charges would not be continued.

To me that is an example of the government we have today. I am not really certain people in Metropolitan Toronto would see this as a good idea. I am not certain the people of Metropolitan Toronto and the greater Toronto area would like to see their Legislature enter into this as a means of combating crime.

I mention crime at the top because of all the studies I have seen in the very recent past, crime seems to be becoming a very important issue and an issue they would like to see government take on head-on. I mentioned the announcement the Attorney General made and that he thought this would be a good idea to measure how successful it would be if the perpetrator of the B and E simply sat down and said, "I'm sorry," and got off scot-free. I do not think that is right, I do not think it is effective and I do not think it is the kind of approach people would like to see taken by this government.

I want to start my comments with respect to the greater Toronto area and my concern with what has not happened with crime because, as I said before, the most significant issue facing the people in Metropolitan Toronto and the greater Toronto area today is crime. I honestly do not see this government, through the Solicitor General or the minister responsible for the greater Toronto area, dealing with the issue. I am saddened to say that because this government said it would listen to the people when they spoke. I think the people have spoken very clearly and I do not see the government reacting in any positive form towards a reduction in the level of crime in Toronto.

There are some areas in my riding, in Etobicoke, where when the police get called to respond to a call, the officers will travel there in two cars. This is just to emphasize the point. They will travel to the call in two cars. Why? Because the two officers in one car go up and respond to the call and the second car watches the first car, literally for fear of bombs. That was exactly what took place in my riding a year or two ago. One of the police cars was literally bombed.

This frightens me. It frightens me to watch the news. It frightens me to read the paper and see a city, or an area like the greater Toronto area, coming under a bombardment of crime. Of course there will always be those who say that statistically crime is not up, but I think violent crime is up. There is a very real perception in the community I represent and I believe in the communities in this greater Toronto area that crime is up and that violent crime is up.

As I said, about nine or 10 years ago, when I first got elected, there was not really a question of whether or not you would walk the streets in Etobicoke or the city of Toronto or North York or Scarborough. Today I honestly think that has just gone by the wayside. People do not walk the streets any more. It is almost an Americanization of our city, and I am very concerned about it. I mention it first because I think if you do not have a safe city, then you have lost control.

I am very concerned that the cities and the greater Toronto area are becoming unsafe, in my opinion. I would say there are certain sections in Toronto, in Etobicoke, in North York and in Scarborough that I think you would be

crazy to walk down at night. To say that today, when 10 years ago I do not think anyone would have said that, certainly crystallizes in my opinion that the people in the greater Toronto area really have some major concerns about the crime issue.

I have not seen a single piece of legislation or a single announcement by this government that goes about trying to restore a certain degree of safety in my community and in others. I want to make that point very clearly.

I would ask the government to bring forward a plan to assist the Metropolitan Toronto Police and all the police forces, Peel and Halton and Durham, that surround the greater Toronto area, and hopefully we can co-ordinate some kind of approach that would resolve this issue. I will say it again, although it is somewhat repetitive: I believe that the people in the greater Toronto area think that crime is becoming one of the most important issues they face today.

As I said before, I do not see that the Attorney General's idea that you take break-and-enter people who get caught and convicted and simply sit them down in front of the person whose house they broke into and have them say, "I'm sorry," is the solution that people are looking for. In my opinion, that is just simply unacceptable as a way to combat crime.

There are many other issues involved in the greater Toronto area. When this government was first elected I had some hope that it would deal with these issues. I do not think it is any secret that in opposition, this government and its members who are elected on councils in the GTA, running under the banner of the NDP, were very specific in their attacks on public transportation and about exactly how they would co-ordinate their resolution to many serious concerns that people had in these areas.

On public transportation specifically, I can speak to a study done by Metropolitan Toronto at literally millions and millions of dollars. That was the 2011 study, the call for subway improvements, rapid transit improvements in Metro Toronto. It may not be of great interest to this House in general, because a lot of people do not represent this area, but it seems to me to be very systematic how this government is dealing with all these transportation issues.

I for one was greatly disappointed when they killed the Red Hill Creek Expressway. I was disappointed because the city had built its plans, it had built its hopes, it had built its hopeful development on this specific expressway. Simply by slashing a pen across a piece of paper they just dashed the hopes of many and they just killed years and years of public input.

Now we have seen them backtrack to some degree. They have retraced their steps, and I believe they are not nearly as tough on this stand as they originally were. They have talked about alternatives. I think they have even said, "Should there be no suitable alternatives, we will probably go ahead with the Red Hill Creek Expressway."

1620

Another problem I have is simply the total time it takes to approve any public or vehicular traffic transportation improvements. The process is bogging the system down. It is bogging the system down, I am certain, right across this

province, but it is bogging the system down in Metro Toronto.

I speak of a simple light rail transit or a streetcar that was to run up Spadina—I am certain everyone in this House has driven this street—that would run from Queen's Quay down at the lakeshore up to Bloor Street, I believe, or to hook up with the subway. That has been caught up in so much red tape, because it is simply a system that would have a right of way. What it means is that there be about a four- or six-inch curb running along each portion of the streetcar tracks, thereby giving its own right of way on the road and free access to move without cars cutting in and out.

This was approved a number of times in council. It has been through processes that you would just find unbelievable, Mr Speaker. We have gotten so caught up in certain processes that these processes are killing opportunity for improvement and projects. This six-inch curb has to go through an environmental assessment hearing. It is absolutely insane. The streetcar was already in place. The streetcars run up and down Spadina every day, and this six-inch curb has to go through an environmental assessment hearing.

It is just insane, and it is adding years and years on to the improvement of the development. It is adding years on to the improvement to the point where you can see development take place, jobs created and so on, because we have gotten bogged down in process. As I said, it is a six-inch curb, but that is not it. It is government over-governing and it is government getting so involved in processes that it loses sight of what it is trying to achieve.

I speak to another improvement I am certain members in this House have driven down. I suppose it is easier to be a member from the greater Toronto area or from Metro Toronto proper in this Legislature, because it matters not where you come from. All the members have to live in this city at some point during their stay here. All the members come in and they work here and they live here, and they can see and understand exactly what problems are faced by this Metro area.

I expand this debate to talk about a simple addition to the Gardiner Expressway. If any members across the floor know the Gardiner Expressway, they know that the Gardiner Expressway is bogged down between two rush hours, the early morning rush hour and the night rush hour. Literally from 7 till 9 and from 4 till 6 it bogs down. It bogs down at the border between Etobicoke and Mississauga and it bogs down at the Humber River.

This may not be of great interest to some, but the point I am trying to make is that I am certain it is not just happening here; it is happening all over the province. What is happening is government members are becoming so involved in processes, so involved in the approval of development and transportation improvements, that they lose sight of what they are here for. They are here to service the taxpayers.

This one-lane addition to each side of the Gardiner Expressway—it is a six-lane highway now; it would become an eight-lane expressway over the Humber River and carry forward on to the QEW and hook up there, where there already are eight lanes.

When this was debated and discussed at Metro council, the time lines, as they like to say—and I do not understand sometimes what “time lines” means; I always call that a schedule—but the time lines—“schedule” to me and everybody else in the world—suggested that this project, once it is heard at council and then approved at council, going through all the processes it needs to go through, including environmental assessment hearings and so on, was going to take 17 years to be completed.

That is 17 years to put a lane on the Gardiner Expressway heading west and a lane on the Gardiner heading east for around a mile—17 years. It is insane that a lane addition to the Gardiner Expressway to service the taxpayers in this province, not just Metro Toronto, from Mississauga, from Oakville, from Burlington, all over, was going to take 17 years.

What is the point? The point is that by the time they get to the final stages of putting the lane on, their expressway is three lanes too small now and they are going to have begin negotiations to expand it again. This is the problem in the GTA. This is the trouble in the greater Toronto area.

I do not want to take all the time up from my members, but I will say I do not believe fundamentally that the Toronto area is working properly, from a political point of view, at the municipal level right on through to the provincial level.

As the last speaker said, we have got more studies taking place. We have got David Crombie's waterfront. We have got federal government initiatives at the waterfront. We have got provincial government initiatives at the waterfront. They are swapping land on the Toronto Islands that they do not even own. They expropriated 40 acres of prime park land from Metro Toronto and gave them 23 acres of park land that was already park land in Etobicoke.

Now we have all these levels of government involved in the greater Toronto area and all they are doing, from the school board level in Etobicoke or North York through to council level in Scarborough and East York through to Metro Toronto council through to the conservation authority through to this place, Queen's Park, is slowing down a process by overburdening it with requirements that nobody should have to live with. What it adds up to is this: We end up spending more time and almost as much money writing reports about a road expansion than we do on the road expansion itself, which to me is a colossal waste of taxpayers' money and time.

No road expansion or transportation improvement should take more than a few years to study. If it takes longer than a few years to study, in my opinion government is not working. To even suggest that a road improvement on the Gardiner Expressway should take 17 years—in my opinion, they are absolutely out of their minds. These are the concerns my constituents are expressing to me.

Finally, much has been said by the government about the opposition parties and not offering what would be reasonable alternatives for criticism. I think Metropolitan Toronto has far too many levels of government. In my area alone—I think I counted one time and it is roughly 75,000 people, and everyone who lives in the greater Toronto area can probably say the same thing—people elect a separate school trustee and a public school trustee. They elect an

alderman. They elect a mayor. They elect a Metro councillor. They elect an MPP. They elect an MP. They used to elect even more.

But what it gets down to is that they have eight or nine politicians representing 75,000 people, and they have so many layers of government wanting to get involved in every decision that is made that they cannot make the decision. By the time governments end up making the decision, the decision has long since passed them by. We are not proactive. We are not sensitive to time constraints. We want to study things to death because we are frightened to make decisions.

In conclusion, there will always be people opposed to decisions that government takes, but that does not mean it should not make the decisions. That is the problem we are faced with today. We cannot do public transportation improvements because there will be people opposed and they are tied up in environmental assessment hearings for ever at the OMB.

We cannot make decisions on landfill sites because people are opposed to making those decisions because they get neighbourhoods and areas upset at them. Then we are faced with the decision of expanding a landfill site without a minute of public hearing. We have not got any proactive political level.

Mr McLean: Besides resign.

Mr Stockwell: Well, besides resign. My recommendation to this government is simply that it abolish Metro Toronto council as a regional council. Abolish the regional councils in Peel, Durham and Halton and amalgamate those to create a greater Toronto area council. Give them very specific responsibilities, maybe police, garbage and a few others, regional planning to some degree, park land and so on, and allow the local councils to continue. The local councils would be local councils representing that specific city.

1630

Also, I would abolish school boards in Metropolitan Toronto. I do not think there is any reason why people cannot elect their councillor and council and they cannot manage council's money and school board's money. It does not make sense to me that an area of 75,000 people should have nine or 10 elected officials, all on the public payroll, all on pensionable earnings, etc. It seems to me that at the municipal level you could get by with significantly fewer politicians, and with significantly fewer politicians you end up having to pay them less, pension them less and, further, you would not have every level of government sticking its nose into every single decision.

It is a somewhat radical approach. I think it is an approach that certainly could be studied. It is an approach I think the people would accept, because they are tired of knowing they have to get involved with all kinds of governments and all kinds of committees at all kinds of levels to get a simple road widened and it will take 17 years to do that.

Those are some thoughts I have. To say that I am happy with the minister responsible for the greater Toronto area—I am not. I do not know what the minister for the greater Toronto area has done since she got here. I have

seen two pieces of legislation from an environmental point of view or from a greater Toronto area point of view. One was the landfill site which I am so thoroughly opposed to, and it sickens me that this government would put it forward. The second piece she did not even have anything to do with. She passed it off to the Minister of Municipal Affairs, who cut a deal that gave squatters on the Toronto Islands public park land.

What that said to me was that if you break the law long enough, if you do not have a legal leg to stand on and if you flout the law and you do not own the property, eventually one day some government will cave in to your demands. That really bothers me, I am sure it will bother the council and it should bother the citizens of this province.

What it has come down to is that the Supreme Court of Canada, the highest judicial forum in this country, has ruled that the houses and land belong to Metropolitan Toronto and this government just allowed a selective group of people, who have not lived there since the beginning, to win the lottery. For the rest of their lives and their children's lives, they live on the finest piece of park land in Metropolitan Toronto and it costs them \$30 a month.

Those are the two pieces of legislation this minister was involved in, and as far as I am concerned, if that is all she can point to, then she was a shameful and total flop as minister of the GTA and Environment minister. In my opinion, if she cuts those two deals, that is enough for me to call for her resignation.

Mr O'Connor: I want to thank the members who have participated so far in this debate on concurrence and supply. Being the parliamentary assistant for the greater Toronto area, I feel perhaps I should respond to some of the issues that have been raised so far.

The member for Oriole has talked about transit a little bit, maybe not in so great an extent, and perhaps she and I can spend a little time discussing some of this at a later time, but transportation is a big issue when you talk about within the GTA because you have to talk about roads, airports and all the different transit links, whether it be subways, trains or buses. It is a very complex issue.

But there are a lot of other issues that involve the office for the greater Toronto area, issues around human services, some of the hard services we have to look at, the greenlands area—the Niagara Escarpment, the Oak Ridges moraine. There are a lot of different issues that have to be looked at.

The member talked about the size of it, and it is a large area when you consider that it contains five regional municipal governments plus 30 smaller ones. It goes as far west as Burlington and east as far as Newcastle, beyond Oshawa even, and right up to Caledon and around the shore of south Lake Simcoe, all the way around past Beaverton, right up to Gamebridge and the Trent Canal. It is an enormous area.

A lot of people do not realize that 40% of Ontario's annual gross provincial product is generated within the GTA, yet it has only 1% of the total land mass of Ontario. It is incredible. Of course, we talk about the growth in that area going up to six million in the next 30 years, which is enormous.

A look has to be taken at a lot of issues. In fact, I represent two of the fastest-growing regions within the GTA. In the York part of my riding, I represent Whitchurch-Stouffville, and newly re-elected Mayor Fran Sainsbury is there. In East Gwillimbury we have a newly elected mayor, Jim Mortson, and up in Georgina a mayor, Bob Johnston, coming back again for another term. On the Durham side of my riding, also still in the GTA, I have Mayor O'Connor of Uxbridge coming back again—no relation at all but a good name none the less—and Mayor Hadden of Brock township coming back one more time. These are people who will be able to be involved in the process as we take a look at how growth is going to happen over the next few years.

I think maybe some of the people out there do not realize, when we talk about concurrence, exactly where we raise some of these issues. The area for this discussion to take place in a little better detail is in the standing committee on estimates. I am a member of that committee, so perhaps I can raise some of the issues that we can talk about.

When we had the Minister of Labour and his ministry come before us and we looked at his estimates on September 24 of this year, I had an opportunity to talk to him and ask him a few questions around Bill 70. He pointed out that at that point in time, 17,000 employees were waiting for some of the money that was going to be released through Bill 70, and I thought that was terrific. It is just incredible.

On October 2, we had in the estimates committee the Minister of Industry, Trade and Technology. When we talk about the economy right now, we all have to be concerned about our own ridings, of course. One of the things I had to raise as related to my riding was McNeil Pharmaceutical, which is up for sale in Whitchurch-Stouffville. It is a real concern for me and my constituents and the council in Stouffville. I had an opportunity to talk about it and ask what they were going to do to try to help out. He talked about the registry of businesses and how it relates. I was glad to hear that. Perhaps I could share the Hansard with anyone who would like to have some more copies of this so they can see just how it relates. It is really important.

I also talked about how we can possibly bring some of the manufacturing, commercial-based backup into some of the communities that are losing it very quickly. They pointed to some really good figures and gave us some good facts. We talked about some of the obvious problems—transit links, etc. It is something we talked about in estimates committee. I would be glad to share that with my local chambers of commerce.

We also had the Minister of Housing before us. On October 8, I had an opportunity to talk a little bit about the Seaton development up in North Pickering. Being a member who represents Durham and also parliamentary assistant for the GTA—I grew up in Durham; I spent all my life there—when we talked about the Seaton development, I was glad we had a chance to dialogue a little bit about that and bring some of the issues to the forefront. The estimates process gave us a chance to talk about some of that. I thought it was really quite useful.

Another thing too is that when we were there on October 22 we had an opportunity to talk about some of the other things as they related to transportation. We have talked a little bit about that today. At that time I was able to ask a few questions. For example, what about the rail service that is being cancelled beyond Stouffville to Lindsay? What is going to happen to those rail lines? What about the future? I had the people from GO Transit there. I was able to ask them a few questions and they were to give me some answers. They were talking about things being under review and that some of that rail land is not going to be torn up, which is terrific news.

I also talked about the GO bus on Highway 404. I travel the 404 all the time and I never see too many GO buses on it. Of course that makes me wonder, because it is always jam-packed with transportation, just as the Gardiner Expressway is. The member for Etobicoke West has raised the fact that the Gardiner is all jammed up. Perhaps we have to take a look at transit in general, and some of that has to be examined.

Mr Smith from GO Transit pointed out that they are going to take a look at it. They are going to look at greater use of the Highway 404 corridor. Some of my constituents have raised that. Last Friday one constituent raised that issue about buses on the 404. It gave me an opportunity to ask that question. I will gladly forward this to my constituent because he is interested in those kinds of issues.

1640

I also had a chance to talk about the anti-recession package with the Minister of Transportation, as we did with most of the ministers. It is really important that we take a look at making sure that money was well used. It was pointed out to us that it was quite well used.

In some of the areas there is joint money put into the anti-recession package from the Ministry of Transportation and municipalities. A good example would be Toronto Street going into Uxbridge from the south end, just north of Zehrs Market. The road is all fixed up just beautifully. As you go past the hospital, there is lots of room for people to turn. It is good to see that. In fact, Water Street in my home town received a little of that money. It is important we recognize that some of this money was anti-recession and we kept a few people working last year as a result.

On October 30 we had the Ministry of Skills Development. That was probably one of the most interesting ministries we had before us, because it gave us an opportunity to take a look at some of the things that really concerned us in trying to establish some way we can create a program that will encourage lifelong learning for people. We have to be able to encourage people to keep on learning and not give up. We saw changes to the funding there from the Ontario Training and Adjustment Board. OTAB is a terrific program that is going to allow some of that to take place. I am glad that is going to happen.

Another thing we took a look at—these were members from all sides of the House who had an opportunity to talk to these people, to the ministers and their staff, while they were there—and had a chance to talk about in great detail, for example, was the apprenticeship program, which will encourage people to develop their skills. We talked about

that and of course we were interested in how that ties into, for example, an older worker in a workplace that was going to be shut down and was there a way that could continue. We talked about that.

We also talked and asked questions about pre-apprenticeship work for visible minorities, women and different equity groups. The Minister of Skills Development spoke about \$1 million that was put into the pre-apprenticeship program. I was pleased to see that this was taking place, that there was money being put there for that essential need.

Another thing was raised on November 5 in committee. I guess that day will stick out in my wife's mind because it was her birthday and she happened to come by and visit the committee while we were sitting. I wished her a happy birthday on that day.

During the time we had the Ministry of Skills Development still before us, I asked about what kind of money was available for smaller businesses. Being from an area that represents five smaller municipalities, I do not have a lot of large businesses. I am really interested. If there was something that could be accessed by them, I wanted to make sure they were going to receive it. The honourable minister had one of his bureaucrats there who was just waiting to answer the question. He talked about how first-time small businesses were not being charged a fee for some of the services provided through the Ministry of Skills Development incentive funds. They are picking up the fee. Further incentives really were to help utilize the service and make sure the Skills Development office was working up to its full capacity.

Just in closing, far too often we on this side of the House have to sit here and listen to criticism from across the floor, and sometimes I think the members across the floor opposite are even a little bit hard on themselves, needlessly. They stand in the House and say we are not doing enough, but clearly when we get into committee and work, it is not nearly as partisan as it is for viewers who see question period and wonder if that is all there is to it. There is an awful lot more that goes on. The committee work is not nearly as partisan. In fact, the members can work together and come up with consensus on many different occasions. That is something that should be looked at and highlighted as something we should be proud of on all sides of the House.

If we can forget about the name-calling and the rhetoric, and just talk about things that have to be done and discuss different alternatives, I think we can really make a big difference in this province. Working together, through a partnership of all members in this House, I think we could see that happen.

Thank you, Mr Speaker, for allowing me the time for the debate. I encourage many more of my colleagues to get up and speak in this important debate on concurrence in supply.

Mr Bradley: Thank you, Mr Speaker, for the opportunity to participate in this debate, which is rather wide-ranging. I notice there are a number of ministries whose concurrences can be dealt with this afternoon and I am pleased to be able to do so.

One of the items I would like to mention immediately as it relates to the health care system, because I see we are dealing with concurrence for the Ministry of Health as well, is the problem with the dialysis unit at the Hotel Dieu Hospital in St Catharines.

I have an interesting letter that I think best characterizes what is happening there. It is to Mr Donald Walker, who is the project co-ordinator, teaching and specialized hospital branch, Ministry of Health. It is from Mrs Diane Reed of Welland, who is a patient very familiar with the needs of dialysis patients at Hotel Dieu Hospital, which is a regional unit.

She writes as follows:

"Dear Mr Walker:

"I am aware that the Hotel Dieu Hospital has applied for phase III funding for an improved dialysis unit. I am writing in support of this urgent need.

"I am a peer volunteer at Hotel Dieu Hospital in St Catharines, Ontario. Recently, I went to visit some of the patients on the haemodialysis unit. (The total length of the hall in the unit is only 58 feet long, and in my wheelchair I should be able to go the entire length of the hall in less than a minute.) However, it took me 15 minutes to go the length of the hall, and it took me 20 minutes to come back up the hall. Because the supply room is not large enough, there were boxes of supplies and bottles of saline along the hall. There was a scale for weighing patients in wheelchairs and also the scale for weighing patients that cannot get out of bed, in the hall. There were patients in wheelchairs waiting to get weighed after finishing dialysis, and there were other patients in wheelchairs waiting to get weighed before starting dialysis. There were also two haemodialysis machines in the hall. After getting past all these things, I then had to wait while someone from stores unloaded a cart full of supplies, some he piled along the wall and some he put in the supply room. His cart blocked the doorway preventing me from leaving the dialysis unit.

"I find this to be a very dangerous situation for the following reasons:"

I can concur with these reasons. I have read the letter. The member for St Catharines-Brock, the member for Lincoln and I had the opportunity last Friday to tour the dialysis unit at the Hotel Dieu Hospital. Mrs Reed describes the dangerous situation as follows. I think we would concur.

"1. Unsafe Working Conditions: The hallways and rooms are so cluttered that accidents could easily happen to the staff and also to the patients.

"2. It is a Fire Hazard: Should a fire break out on this floor there would be no way to get the patients and staff out quickly.

"3. What about Cardiac Arrest: If the patient at the far end of the floor had a cardiac arrest they would never get a crash cart to them in a hurry.

"The way to solve these problems is to renovate the existing unit.

"In 1974, the dialysis unit was set up to serve 19 patients. In the past 17 years the patient population has gone up 500% for a total of 89 patients, as of September 30, 1991. To accommodate these patients the unit runs for 8 am to 11 pm six days a week.

"How can the nursing staff be expected to provide quality care under such cramped and dangerous circumstances?"

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"I believe the dialysis unit should be improved for the following reasons:

"1. The nephrology (inpatient unit) only has six beds. Earlier this year there were 18 nephrology patients admitted to other floors due to the shortage of beds on nephrology. This removes the nephrology patients, with special needs, from the quality care they need and deserve. Nursing staff on other floors have not been trained to meet the special needs of a nephrology patient.

"2. More haemodialysis beds are needed, as there is often an overflow of haemopatients that have to have dialysis down in the peritoneal dialysis unit.

"3. A waiting room is needed for patients waiting their turn to start their dialysis treatment. Presently the hallways are congested with patients waiting to start their dialysis treatment, while other patients have finished their dialysis treatment and are waiting their turn to be weighed so they can go home.

"4. We need space for the renal social workers so they can be more available to the patients. Presently, the renal social workers are in a separate building behind the hospital.

"5. We need an office on the dialysis unit for the renal dietitians. The dietitians' office is presently located on the floor below the unit.

"6. We need a large room for staff meetings and also where new patients can be trained. New patients are now trained at their bedside where their room-mates often interfere, or sometimes they are instructed in the peritoneal dialysis unit where there are other patients and other nurses, so it can very distracting.

"7. We need a small room where a patient can meet confidentially with a doctor or social worker.

"8. We need a large room for supplies so the supplies won't have to be stored in the hallway.

"9. We need a room in the unit where the technicians can repair or service the haemodialysis machines, the cyclor machines and other equipment. Presently they are one floor below the unit.

"The dialysis staff work under such trying circumstances, but are always so pleasant, caring and give such good support to the patients.

"I sincerely hope you will seriously consider the suggestions in this letter and that you will grant phase 3 funding for Hotel Dieu Hospital.

"Sincerely yours,

"Diane Reed."

This matter was raised in the House this afternoon by the Liberal Health critic, the member for Halton Centre. It is a matter of great concern. I have some photographs supplied to me by the member for Lincoln, who is also interested in this issue, wherein we can really see the cramped quarters. The three of us had the opportunity to be there. We were taken on a tour by Dr Manning and other members. Dr Manning was the doctor in charge in this particular case. We met with a number of people from

the staff, administration and medical people, as well as some patients and peer volunteers.

What was clear to those of us who made that tour was just how cramped these quarters are. While we can say that the nursing staff, the medical staff and the others who are assisting are doing an outstanding job—all the patients would agree with that—what I am concerned about is that they are doing it under very trying circumstances.

Also, the equipment has to be serviced. I got a chance to speak with those who were in charge of servicing the equipment. I can tell the members that is not even satisfactory. They are doing a fabulous job because they put on computer when the last servicing of equipment took place. There are many units that would likely put the equipment out to pasture. These people have fixed and refixed those machines on a number of occasions. In fact, there was one other jurisdiction in Ontario, the Credit Valley Hospital, which had some equipment that I believe it was going to dispose of. The people in St Catharines at the Hotel Dieu, which services the entire Niagara region, actually took that equipment to use. This was equipment that somebody else was going to throw away. That is how dire the circumstances are in this situation.

They also have to do something very special with the water they use for these patients. The water must be perfectly pure, so they have to have various ways of making it pure. They have in the basement of Hotel Dieu Hospital about the oldest and least sophisticated water treatment system that you can find in the province. It is really remarkable that the people responsible for the servicing of this equipment and the people responsible for the purification of the water are able to do the job they have been under the circumstances. That equipment obviously should be updated. They need reverse osmosis equipment. It should be updated and be much more sophisticated, as it is in virtually every other dialysis unit, as my understanding is.

I mentioned before that sometimes you do not see the same degree of pressure for this kind of item. Members have heard me talk about the genuine and urgent need for a second CAT scan machine in the Niagara region. There has been some considerable support from a number of hospitals because a number of hospitals are making bids on it. In this case there is only one hospital that delivers the service for the dialysis of kidney patients. That is why members may not see as widespread pressure, but certainly those who need that service are well aware of the urgent renovations that are required.

We toured the facility. The three of us would agree, first—I can be pretty certain that I can speak for the others, because we chatted after—that the conditions are in fact crowded and unsafe. Second, I think all of us would agree that the Ministry of Health has not supported the renovations or capital needs at Hotel Dieu Hospital since its inception in 1974. At that point, funding for four stations was provided. Currently 21 stations are needed. We have been fortunate that we have had good people across the Niagara region who have made donations which allowed the hospital to purchase some of that equipment, but clearly there is a need for capital funding to come from the Ministry of Health.

The 21 stations I made reference to represent a combination of treatment for all forms of dialysis. Funding for new program initiatives is mandatory, and of course that is what we want to see. Additional capacity is needed to allow for movement of patients between regions so that dialysis patients are not compromised when they move about the province. What they need, essentially, is about \$2 million in capital. I know what the government worries about, and justifiably so. It worries about operating costs. But we were assured that the investment in that capital would bring about better operating costs, that it would be a saving in terms of operating costs.

We know the decision is urgent. The decision is going to be made probably in the early part of January. People have been very patient. The need is dire in this particular case and it is just not satisfactory to those of us who reside in the Niagara region to see that we are getting castoffs from other dialysis units. The people, I must say, are kind in at least providing that equipment, because it is better than having no equipment at all. As the population tends to age and more people tend to encounter these problems, we really need this kind of equipment and these kinds of renovations and changes.

This is a matter of life and death to these people. This is not elective; this is not something you can have or not have; this is not something that simply increases comfort or perhaps reduces pain, important as all of those are. This is something which is essential to keep these people living. I think everyone in this House and certainly the people in the Niagara region would support an allocation of already allocated funds. There is a special fund for these purposes. I think there would be widespread support for about \$2 million of that going to the Hotel Dieu Hospital to carry out this regional responsibility.

I will not go into great detail, but members have heard me on many occasions speak of the need for a second CAT scan machine in the Niagara region. I have not been parochial in that I have not said, "It should be located in St Catharines." I am sure the hospitals in St Catharines would be delighted, the St Catharines General Hospital to have a second or the Hotel Dieu Hospital to have one, or perhaps even the Shaver Hospital might be interested. Right around the region, no matter where it is put—in Niagara Falls the Greater Niagara General Hospital is very interested; Welland County General Hospital is interested—all of them are interested. There is widespread support.

What I am saying is, there is a need for a second CAT scan. I am not prepared to be parochial, even though the folks in my own city would prefer that. I just say that somewhere in the region it is needed, because at the present time people have to go across the river into the United States to get the service at greater cost or they somehow have to get to Hamilton or Toronto or somewhere. This is not to suggest there is not an emergency opportunity; it is to suggest that the elective scans are lined up for about five or six months in terms of a waiting list. We believe the government would be justified in giving the okay.

Members should keep in mind, in the case of the CAT scanner, that the capital cost is raised in the community. I am sure even in these depressed economic times the peo-

ple of our communities in the Niagara region would give generously so that we could have a second CAT scan machine in the region.

1700

There are a couple of other items I wanted to touch on. I am quite concerned, as all members are, at the closing of hospital beds across the province and the cutback in health care services. This is certainly not something that was predicted. I can recall knocking on some doors where people, at the time when the grants to the hospitals were very high, were saying they were dissatisfied with the level of service and they were going to vote NDP as a result. I am not going to be one who sits and blames the NDP for everything, but we have an NDP government now and, lo and behold, it is worse than it was before.

I think people are looking for quality health care service. I think everybody wants to co-operate to ensure that it is an efficient expenditure of dollars. That is everybody's goal, certainly including the present minister and past ministers. But certainly the need is there, as I say, particularly when you have an aging population.

Another concern I have expressed on a number of occasions, this week and last week, last week in question period to the Premier and to the Minister of Industry, Trade and Technology—everyone must have been wondering why I was asking these questions about the automotive industry. Then we started to see some newspaper stories which suggested—I will focus on General Motors, but also TRW presents a problem.

Obviously the whole industry is shrinking, and I alluded to this last time in the House, but this is the week where the big decision is going to be made. George Peapples of General Motors has in fact made many statements about this. He has been interviewed about it. Representatives of the CAW have expressed their concern about the potential for some plant closings, and I am sure the people in St Catharines and in Oshawa particularly, and perhaps in other plants in Ontario, are very concerned this week that some bad news is going to be announced.

We know we have an efficient workforce. We know we have plants that are working hard to be competitive and have been competitive in the past. We also know there are a number of factors that go into that decision.

What I would like to see the Premier do—because he is the boss of the government, and the others have some influence, but the Premier essentially runs the show, and his group of people who sit as advisers to him; they will make the final decisions, but they get input from members of the caucus—are the following things.

I hope, first of all, the Premier will withdraw his tax on auto workers, his tax on automobiles, which really sends a bad signal to the automotive industry when we are slapping additional taxes on those cars. That is one thing I hope he will do; in fact I hope he will go beyond that.

The sales have dropped so dramatically and the industry is so important in terms of its direct effect on our economy and the spinoff effect that the second thing I would like the Premier to do is to remove the sales tax on vehicles sold in this province so we can spur the economy, so people will be encouraged to make those purchases at

the present time and so the international aspect of General Motors and other companies, the multinational aspect of it, will understand that Ontario is interested in seeing vehicles sold in this province and is bringing about circumstances where retail sales can be enhanced and certainly can be multiplied by several times what they are at the present time. Those are two suggestions I have immediately.

The third suggestion is that the Premier take a careful look at his legislative agenda and determine which pieces of legislation perhaps do not have to be introduced in Ontario, which can be modified significantly and which can be postponed, in order that we can demonstrate to the business community, in this case the international, the multinational automotive industry, that we are a place where it is good to invest; that we are not going to be slapping more taxes on people in these recessionary and highly competitive times; that we are prepared to withdraw certain other taxes we think may be punitive to the industry; that we are prepared to tone down the anti-business rhetoric that sometimes emanates from certain sections of the government; that we are prepared to withhold changes to regulations which are going to be anti-business regulations, without any appreciable benefit to the province except to say, "We did this because we said we were going to do it."

In other words, what I indicated the other evening and I reiterate this afternoon is that if it means this government is going to have to break its promises—and I would say this is one government that has been elected in Ontario in circumstances where most people hope it will break its promises—this government should forgo—

Interjection.

Mr Bradley: Yes, the member for Cochrane South is absolutely correct. The reality is they know there will be criticism for breaking those promises. That is something they are going to have to tolerate.

Let me tell the members opposite it means more to those of us in here than it does to the people we represent. We tend to think in terms of retreats. They will hear me say, "Sound the bugles of retreat" many times, and we remind them of broken promises. My suggestion is that the people of the province may not care as much about that if they see that the government is trying to set up a good investment climate in Ontario.

I look at the headline from the St Catharines Standard of Thursday, December 12—this was about a week after I had initially raised this in the House—and it says, "GM Plant Closing Likely." That was a reference to Oshawa because of the considerable speculation about the assembly plant in Oshawa.

However, we are concerned in other parts of the province, particularly in St Catharines, about other plants there. We have a major foundry there. We have an engine plant in St Catharines. We have other operations on both sides of the canal on Ontario Street and on Glendale Avenue. We have one on Welland Avenue. People who work there are genuinely concerned this week that some announcement is going to be made which will be somewhat devastating for

the future. I hope that is not the case. I think all members of this House share the hope that it is not the case.

We do recognize, with General Motors restructuring, with TRW talking about eliminating thousands of jobs in its worldwide operations, that we in Ontario are vulnerable. The government here cannot accept the full blame if we see any of these closings—the opposition will certainly suggest a lot of the blame would go to the government—because we have other policies of governments from other levels, particularly the federal government, that may influence this and we have international circumstances that may influence it.

What I am saying is if the final straw is represented by the taxes, the rhetoric, the legislation and the regulations of this government, then it is in the hands of the Premier and members of the cabinet and members of the government caucus to try to avoid the circumstances of closings in Ontario and the devastating effect that has on individuals and their families and on the communities from which they come.

My urging is to the Premier to perhaps swallow his pride, perhaps abandon some of the socialist or social democratic approach to things in order that he can show he is prepared to invite business to stay in Ontario. Those are certainly some of the issues I am concerned about.

I am also concerned about the fact that not everybody gets to see question period at the appropriate time. I can remember when TVOntario, when there was a Conservative government, I think, or at least a Liberal government in power, used to show the question period at either 11 o'clock or 11:30. Then when there was a complaint it went to 12 o'clock, and when there was a further complaint it went to 12:30. Somebody told me the other night it was 1 o'clock before it got on the air.

I know we in the opposition, particularly the member for Mississauga South, have been critical of certain of the operations. I am sure it is just coincidental that the more criticism we have of TVO, or at least the expenditures in TVO, the later the question period seems to get on TVO. That has to do—the Speaker points to this—with the health of the province, because people are not healthy unless they can see what is going on in this province.

We are also dealing with the concurrence in supply of the Minister of Agriculture and Food, who is in the House this afternoon. I once again put a plea to him that we see some assistance to the farmers in the Niagara region. The assistance that has been announced to this point in time has been insufficient.

The Minister of Municipal Affairs has told people there that he is going to block any effort by the regional government to allow severances. Most people would recognize that the severances would represent some initial incursions—perhaps there have been some already, of course—into the farm land. In the long run that is not the best answer. These people are desperate. That is why they are doing it.

1710

The local authorities in Niagara, unlike some areas of Ontario, have been very conservative in the granting of their severances and have seen the damage that can be

wrought by allowing the intrusion of urban people into rural areas. That is not what most people would want as their best option, but they have come to the conclusion that senior levels of government are not going to provide sufficient funds to make it a viable operation, and are not prepared to undertake the kind of short-term relief they need to keep them going and the kind of long-term policies that would be helpful to the maintenance of an agricultural industry in the Niagara Peninsula.

The peninsula is useful in terms of agriculture for two main reasons, and probably a third I can think of. The first is good luck. We happen to live in an area where climatic conditions are conducive particularly to growing tender fruit. The north Niagara strip, from the lake up to the escarpment, is a very unique climatic area in this province. What you see is an opportunity to have about 27 more growing days at the bottom of the escarpment as compared to above the escarpment, so that is one real plus.

The second is that in many places in the Niagara Peninsula there is very good agricultural land, good soil; not every spot, but in many of the places there is some very good and unique soil that is conducive to farming, particularly tender fruit farming.

The third is that there are a number of people who reside there, some who came from other countries years ago, some who have come from other countries recently and some who have been here for dozens upon dozens of years, perhaps a couple of centuries. All these people have developed a certain expertise in farming and they are people we are extremely proud of in the peninsula. We believe that the Minister of Agriculture and Food should provide the necessary relief to those people, so that they do not have to go to the Niagara region and demand severances, which they see as their only lifeline to keep going.

I know the Minister of Agriculture and Food and his ministry and others are examining options for long-term relief, long-term options. He is looking perhaps at Massachusetts and some of the other New England states that have looked at the preservation of land through certain conservation easements. He looks at the total cost and says it is a lot of money. I look at the total cost of bailouts of major industries and the profits that are in one particular city or town and I recognize they are costly as well.

Farmers are saying, "If we were all in one area, if we represented a lot of people in one concentrated area, our chances of getting assistance would be much greater." I certainly support any effort on the part of the Ministry of Agriculture and Food to assist the farmers in that area. We can do two things: We can preserve the agricultural land, and second, we can preserve farmers and farming in the Niagara Peninsula.

I want to share the time on concurrences with some of my colleagues. I made reference to the removal of the tax on auto workers, which this government is pursuing and was debating the other night, as one of the options, I suggest to the Premier, and the other option is to remove the sales tax on vehicles sold in this province. One impact it will have is that it will generate sales in Ontario. A second impact is that it will send a good signal to the automotive companies that this is a good place to keep investments

and to put new investments. Third, it will have the effect, which would please all of us concerned about energy conservation, of putting newer vehicles on the roads that get much better miles to the gallon, as I still call it, much better fuel efficiency than older vehicles. Fourth, of course, they have emission controls that are far superior to those older vehicles.

I hope the government will not simply pass away and say, "We'll drone on this afternoon, but we won't pay much attention to what the opposition says."

Mrs Caplan: They are not paying attention. They should pay attention to these good ideas.

Mr Mills: I am.

Mr Bradley: The member for Durham East has been riveted to his chair and he is listening. I know he always does. He is a fine fellow and he is listening to this. I hope he will bring the message to his caucus and to his government. I cannot speak for him, but I suspect he has the same concerns I have with many of these issues and will draw them to the attention of the people who really control this government, the people right in front of me, the Premier and his many minions who are part of his ever-growing staff. Federally they call it the Prime Minister's Office. Here we call it the Office of the Premier, and some refer to it as the Pink Palace.

Mrs Marland: I am happy to have the opportunity to rise this afternoon and speak on the various concurrences of the various ministries. There is a great deal to be said about all these ministries. Unfortunately, the great deal that there is to be said is not very good.

I would like to start off by saying something about the Ministry of Housing, and in so doing I would like to place on the record one aspect of a concern I had in a meeting of the standing committee on general government, which is dealing with Bill 121, the new rent control legislation for Ontario. During that meeting the Liberal critic for Housing and myself were asking the Minister of Housing a number of questions. We were also trying to establish the real cost in terms of maintenance for rental accommodation in the province.

The really interesting point the minister made, to which my colleague the member for Eglinton and I took strong exception, was that it did not cost any more money to operate older buildings. I was saying that there should be some address to the fact that older buildings, because of their age, by necessity needed larger amounts of money for maintenance and repairs, not even dealing with renovations but just straightforward maintenance and repairs. The minister chose not to agree with me on that point. She even used as an example the fact that she lives in a 65-year-old home herself. We asked her if she had new windows and a new furnace and so forth, and she said, "Oh, yes," that she did. Of course she had already made the capital investment to upgrade her building.

But the point we were making, and particularly I was making, was that to be fair to these property owners, who with older buildings much sooner than with newer buildings, will be meeting a major capital investment. They will

have to find the money, perhaps to perhaps replace windows and make them energy-efficient so they do not burn more fuel, perhaps to replace plumbing and electrical, and also of course to replace the fuel source itself in whatever form of furnace or heating the older buildings have.

Anyway, the significant thing was that the minister was trying to tell us that older buildings just simply did not cost any more than newer buildings. Since that debate, I have fortunately come across A Consultation Paper from the Ministry of Housing. It was published in February of this year and is called Rent Control: Issues and Options.

Here we have the minister's own publication. I read from page 76, where it is talking about the percentage of rental stock, the size of buildings and so forth. There is one paragraph in here that I found particularly significant in light of the minister's misinformation about the cost of operating older buildings versus new buildings, because obviously she is not familiar at all with a publication from her own ministry.

1720

I read as follows: "Age of building has an important bearing on the condition of the rental stock. Generally, the older the building, the greater the need for repairs and maintenance." Is that not interesting? Here is a consultation paper from the minister's own ministry that says exactly what I was arguing and which is exactly in contradiction to the statement this minister was making.

That is not surprising, because the Minister of Housing, as I have mentioned a number of times in our committee meetings, based on her answers and her whole philosophy in the approach to the provision of rental accommodation in this province, is totally out to lunch and this document just goes to confirm it.

Also, we always hear about how well other systems operate under other socialist governments. I am not quoting this minister particularly here, but certainly I am reflecting on some of the statements made by the Bob Rae socialist government recently. It is rather interesting to read a publication called the British Columbia Report, dated November 11, 1991.

I only want to read one paragraph in here, because I think it says it all. It says if you have to have a socialist government, you are probably better off in British Columbia. Lord forgive me. I never would have thought you would be better off anywhere with a socialist government, but let me just read you this quote, Mr Speaker, and you will understand why.

"Victoria Hillside MLA Robin Blencoe, the NDP's Housing critic during the Socred government, says his party has no intention of wreaking similar havoc here. The intention of the NDP's planned rental legislation will be to prevent the 'small numbers' of cases of 'unconscionable' rent gouging by rapacious landlords. 'If you're looking for rent control, no, you won't be getting that from us,' he cautions."

Is that not interesting? The socialist government in British Columbia at least has a clue about why rent controls do not work. Obviously, now that they have become

the government in British Columbia, they have no intention of introducing rent controls.

The article does not go on to talk about whether they are going to do direct shelter subsidies, which is what our party is suggesting. We are saying the people who cannot afford high market rents need to be protected, people on fixed incomes, senior citizens and people on limited pensions and so forth. Those people need to be protected, and the way to protect them is to directly subsidize them through a shelter allowance rather than rent controls, which directly subsidize the entire building.

An hon member: Send your paper over to Gilles there.

Mr Bisson: I thought it was an interesting quote.

Mrs Marland: No, I will not. If the member is interested, he can read Hansard tomorrow. But I guess I should say I am flattered that the member wants to read my quote.

When we talk about shelter subsidies, we are talking about looking after the people who need to be looked after, and while I am on that subject, I want to emphasize where the non-profit housing program is taking us in this province. Originally when it was started in the mid-1970s—and I think the first non-profit housing program, as a matter of fact, was in the region of Peel, just prior to my becoming a Peel regional councillor in 1978—the concept was to build affordable housing for those people who could not have any other access to rental accommodation.

In theory, when it was conceived, it was a good idea. Now when we look at the tremendous cost for non-profit housing, we realize we would be better to use that money, as I mentioned a moment ago, to directly subsidize the people who need the subsidization through a shelter allowance and not have entire complexes protected across the province through rent control.

It is not a mythical story about the number of subsidized buildings there are in this province where, when you go into the basement, you find BMWs, Mercedeses and so forth in the garage and at the same time the taxpayers in this province are subsidizing the rents.

As of September 1991, the non-profit housing program subsidy—this means the cost of operating the non-profit housing program in this province—was over \$1 billion. The really sad part is that I do not think anybody in this House could guess how many rental units we would get for an annual operating cost subsidy of \$1 billion. I think members will be surprised when I tell them that for a \$1-billion annual operating cost we get only 115,000 units. Is that a wise use of taxpayers' money?

We have looked at some direct shelter subsidy programs where you subsidize the people who need it directly and our estimate is that for \$1.7 billion we can directly subsidize something like 700,000 units as opposed to 115,000 units. The other aspect we have to keep in mind, of course, about non-profit housing programs is the capital cost. We are talking about a capital cost now of upwards of \$200,000 a unit. First we spend \$200,000 a unit building these apartments and then we have the for ever ongoing cost of operating them.

It really is time we reviewed this program in terms of what is going on in the provision of that kind of housing in the province. It is not the answer in the long term, because we are saying to our children and grandchildren, "We think it's okay to spend your unearned money now and make a commitment for it, because we are into this program."

I think a smart government would look at existing programs and make changes if there is a better way to do them. A better way to provide affordable housing in this province is to make sure that the people who need the help get it and that we do not invest \$200,000 a unit building new units when there are existing units that could be bought.

I am talking about blocks and blocks of condominiums that are on the market for sale and could be bought. I think we would be better to write cheques and hand the money out of our Treasury pot, for the Treasury to give direct cheques to people to go and buy their unit for \$100,000, \$115,000 or \$130,000 than spend \$200,000 building it and then \$1 billion or more a year operating all those units.

If we are really sincerely committed to helping people have somewhere to live, we had better start spending this money wisely. At the moment I do not think we are very impressed about the way the money is being spent.

1730

I would like to touch just for a moment on the Ministry of Health. I was very concerned last week when I heard the member for St George-St David ask a question of the Minister of Health about the future directions of her ministry. I will just read the quote, as the member can put it far better than I can. He says:

"My question is for the Minister of Health. Last week"—and this is why my constituents would be concerned—"they read in the press that the Deputy Minister of Health Michael Decter, a mandarin from Manitoba, had indicated, 'We are looking very hard at the type of services delivered and what are the outcomes. For instance, we spend large amounts of money treating lung cancer, which frankly does not do much good.' He went on to give another example of services that might be cut out. He spoke of heart bypass surgery and organ transplants for people over 70 years old. The serious question I have for the Minister of Health is, are these things Mr Decter speaks about being actively considered in the ministry and does the deputy minister in that respect speak for the government?"

That is a pretty depressing thought. There are two things here. Obviously we have a very powerful Deputy Minister of Health. He has obviously been selected because of his strong partisan background in Manitoba. That is one thing. Second, apparently his mentality is that people's lives are over when they are 70 or that people with lung cancer do not deserve any remedial help. I think it is a depressing statement about the future of our health care if we have a deputy minister who actually thinks that way. I guess, since they are his words, that must be the way he thinks.

We already know what they are doing with the health care system in this province. It is in the headlines every day, so I am not going to take the time of this House now to repeat all the concerns about the exodus of our most highly qualified specialists, physicians and doctors who are leaving because of a situation that prohibits them from being allowed to practise their profession to the utmost of their abilities because there are cutbacks on how much time they can use in the operating rooms and what procedures they can do.

Now we are getting into a situation where the Deputy Minister of Health, Michael Decter, is going to decide whether bypass surgery and organ transplants should be done for people over 70 years of age. I have not met Mr Decter, but my husband is 70 years of age and he could outrun anybody in this House in terms of physical fitness. My husband practises dentistry from 8 o'clock in the morning until 5 o'clock in the afternoon, four days a week. He is totally committed and capable of the highest level of professional service to his patients.

We have here a Deputy Minister of Health who might decide that at 70 years of age a patient should not have bypass surgery or an organ transplant. Who do Mr Decter and this socialist government think they are? Are they about to play God and decide on who will live and who will die, depending on who may have access to this kind of surgery? If we are saying somebody's life is over at 70, then I think we are in far worse trouble than we thought we were. I hope this is not the thinking of this government.

However the answer to the member for St George-St David's question of the Minister of Health was, "As we review how our health dollars are spent, we are committed to trying to put in place a process that ensures every procedure is evaluated based on health outcomes."

If that is the case, then it had better be on health outcomes, not on anything to do with age. If we are going to say: "I'm sorry, if you're 70, you can't have a bypass. I'm sorry, if you're 70, you can't have an organ transplant." Who do they think they are? They should see some of our 90- and 95-year-old people today who have had the benefit of that kind of procedure maybe 15 or 20 years ago who are still living healthy, productive lives. I challenge any one member of this government to decide which grandchildren are going to lose their grandparents because his government decides they cannot have bypass surgery or an organ transplant.

Mr Mills: That is awful to say.

Mrs Marland: Yes, they will get upset, because when you tell the truth, they react. If they want to play God and decide who will have bypass surgery and organ transplants and relate it to somebody's age and say to them: "I'm sorry, you're 70, you're past it. It's over and gone. We can only invest our money in younger people"—that is what the Deputy Minister of Health was talking about—it is very scary stuff. In fact apparently, according to the member for St George-St David's Hansard, he takes it to be entirely clear that Mr Decter does speak for the Minister of Health and the government when he says, "This government is actively considering whether OHIP services should

be provided in respect of certain cancer treatments, bypass operations for the elderly and organ transplants."

This is the government which pushed, with the Liberals, to stop doctors from extra-billing. The reason they wanted to do that was so that we would not have two-tier medicine in this province. What an irony, because that is exactly what we have. We have two-tier medicine in this province because these socialists now send to the United States patients who can afford to have their surgical procedures done in the United States. So when we talk about two-tier medicine, we have it, folks. If you have enough money and you can afford to go to the United States for your medical and health needs which are not being met in this province, then you get to go, and the people who do not have the money have to stay here and have the second tier of health service. If you are 70 years of age, possibly you may get the third tier, which is no surgery at all.

Mr Mills: You're being too dramatic.

Mrs Marland: A member is saying I am being too dramatic. That member is possibly a grandfather. It is pretty dramatic when he reaches 70. I do not know the member's age, but I have a lot of respect for him and I think he is a way from being 70. But when his grandchildren have to forfeit him—possibly as an example—because he cannot get a bypass because he is 70 and therefore they lose their grandfather or their grandmother or their business associate, or whatever the relationship is—

Interjection.

Mrs Marland: I think it is sad that the Minister of Culture and Communications finds this humorous. It is not humorous.

Hon Mrs Haslam: I wasn't laughing at you, Margaret. That's not fair. I was laughing at something Irene said.

1740

Mrs Marland: I want to read members a letter from Mrs Kay Giles of 1294 Lake Breeze Dr, Mississauga. It is dated December 3, 1991.

"Dear Mrs Marland:

"I was told in June that I would need a pacemaker inserted in order to help my heart beat. I have been told my heartbeat is slow and erratic.

I have been waiting since June 27 to have this procedure done, which is now over five months. Last week, I was phoned by Dr Rebane's office—who is a heart specialist—that I could have this work done at the office of Dr Louch, who has an office at Jane and Bloor.

"Today I was informed by Dr Rebane's office that this procedure could not be done by Dr Louch because of lack of money. I am now back to waiting until St Michael's Hospital has the operating room space and enough help to have this done.

"I am discouraged, to say the least, to have this happen. I feel it is time something was done about the waiting period and, in general, the whole hospital situation.

"Can the government do anything in this regard? Your comments would be appreciated and also anything you can do for me and the hundreds like me.

"Yours truly,

"Kathleen Giles."

As of December 3, this month, this patient has been waiting since June for something as simple as a pacemaker, and she is told she cannot have that done because there is a lack of money.

I do not know Mrs Giles's age. I do not know her at all. She is a constituent who has written to me. I have referred this matter by letter to the Minister of Health, but this is the kind of thing that is happening every day in my community office. We are getting letters from people who are not accessing the health care they need.

Of course, as I continue to say, the majority of people in this province are healthy. It is only when you are sick that you find out exactly what a shambles this province is getting into in terms of its health care.

I would also like to comment on another matter, since this is such a wonderful collection of ministries and, as I say, I am trying to find something good to say about one of the ministries; I have not found it yet.

One other thing I wanted to say, just to revert for a moment to the Ministry of Housing, is that there have been studies done about shelter subsidies, direct subsidization of people who have to rent their accommodation. It is very interesting to note one of the studies where the annual cost per taxpayer to assist 310,000 core-need households—I am sure there is a very clear definition of what a core-need household is—at the moment in non-profit housing is \$1,000 per taxpayer.

It costs \$1,000 per taxpayer in this province, through non-profit housing, to look after 310,000 households. However, if we had a direct shelter allowance to the people who qualified in that same category—not through non-profit but through a general access to rental accommodation through the private sector—it would be \$60 per taxpayer. There is quite a difference between \$1,000 per taxpayer and \$60 per taxpayer. That is why it is time to review this program and decide where best that money should be spent.

While we are on the subject, I cannot let the opportunity pass without making some comment about this government's decision to build non-profit housing on the Toronto Islands. This is the biggest regression in the history of the Toronto Islands housing debate that we could possibly have been introduced to. How ironical that those islands were originally considered to be preserved and conserved for park land and now we have this big sell-off, as we have said, as the member for—

The Acting Speaker (Mr Villeneuve): Order, please. The honourable member for Mississauga South will have the opportunity of resuming her participation in the debate but, pursuant to an agreement last week, we now have to have a vote on Bill 86, An Act to amend the Gasoline Tax Act. We would like at this particular time to call in the members for a vote on Bill 86.

1750

GASOLINE TAX AMENDMENT ACT, 1991
LOI DE 1991 MODIFIANT LA LOI
DE LA TAXE SUR L'ESSENCE

The House divided on Ms Wark-Martyn's motion for second reading of Bill 86, which was agreed to on the following vote:

Ayes—63

Abel, Allen, Bisson, Boyd, Buchanan, Carter, Charlton, Christopherson, Churley, Cooke, Cooper, Coppen, Dadamo, Drainville, Duignan, Ferguson, Fletcher, Frankford, Gigantes, Grier, Haeck, Hampton, Hansen, Harrington, Haslam, Hayes, Huget, Jamison, Johnson, Lankin, Laughren, Lessard, MacKinnon, Mackenzie,

Malkowski, Mammoliti, Marchese, Martel, Mathysen, Mills, Morrow, Murdock, S., O'Connor, Owens, Perruzza, Philip, E., Pilkey, Pouliot, Rae, Silipo, Sutherland, Ward, B., Ward, M., Waters, Wessinger, White, Wildman, Wilson, F., Wilson, G., Winninger, Wiseman, Wood, Ziemba.

Nays—30

Arnott, Bradley, Carr, Chiarelli, Conway, Cousens, Cunningham, Curling, Eves, Fawcett, Grandmaître, Harnick, Harris, Henderson, Jackson, Jordan, Mancini, Marland, Miclash, Murdoch, B., O'Neil, H., O'Neill, Y., Phillips, G., Runciman, Sterling, Stockwell, Sullivan, Tilson, Turnbull, Witmer.

Bill ordered for committee of the whole House.

[Report continues in volume B]

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disability issues, seniors' issues and race relations
/Adjointe parlementaire de la ministre des Affaires
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99B 1991



99B 1991

ISSN 1180-2987

Legislative Assembly of Ontario

First Session, 35th Parliament

Assemblée législative de l'Ontario

Première session, 35^e législature

Official Report of Debates (Hansard)

Monday 16 December 1991

Journal des débats (Hansard)

Le lundi 16 décembre 1991

Speaker
Honourable David Warner

Clerk
Claude L. DesRosiers

Président
L'honorable David Warner

Greffier
Claude L. DesRosiers



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LEGISLATIVE ASSEMBLY OF ONTARIO

Monday 16 December 1991

[Report continued from volume A]

CONCURRENCE IN SUPPLY

The Acting Speaker (Mr Villeneuve): We shall now continue the debate on concurrence in supply. The honourable member for Mississauga South had the floor.

Mrs Marland: Before we adjourned to take that vote—

Interjections.

Mrs Marland: My goodness, this is a noisy House, Mr Speaker.

The Acting Speaker (Mr Villeneuve): Could we allow the member for Mississauga South the opportunity of continuing her participation in the debate by somewhat restraining our private conversations. The Speaker has great difficulty hearing.

Mrs Marland: Thank you, Mr Speaker. I think I had just finished commenting on the Toronto Islands housing issue. Of course the issue with the Toronto Islands has a very long history, but now, by allowing this recent agreement to go forth, what we are giving the present incumbent owners and tenants is an opportunity that simply is not available to anyone else in this province. They have 99-year leases. I think the member for Etobicoke West mentioned one day that it works out to about \$36 a month or \$40 a month. It is just unbelievable. In so doing, of course, what is happening here is that we are creating an élitist housing settlement in what was always planned to be totally public park land.

When you look at what is going on along the waterfront on the north shore of Lake Ontario, it is really disturbing, because here we have the Toronto Islands, which are a natural environment, very beautiful, separated by the harbour on the north side and of course Lake Ontario on the south side. We have this idyllic setting for people who live anywhere in the province, but particularly for people who live in the densely urban downtown city core, to escape to, and they can escape to the Toronto Islands all year long. The ferries operate all year long, weather permitting. I think there are very few times when those ferries do not operate.

Yet this socialist government, which I really would have thought would have been totally opposed to something like this, is actually making it worse. By the way, very few, I think something less than 2% of the people who live on the Toronto Islands today, are the original home owners. So we have this élitist enclave that is now being given 99-year leases, and of course we provide the ferry service all year round at taxpayers' expense. We are saying to them: "You're there. We're going to let you stay there."

What about the people who lived in those homes originally who left because it was designated a park land and did not want to live in a public park area? Originally, if you go back far enough, those houses were all to be demolished. Now not only are those houses not going to be demolished

and the government has agreed to these 99-year leases, but it is also going to build more houses, and guess what? Of course it is going to be a non-profit housing project.

I think it is outrageous that this beautiful park land known as the Toronto Islands is now going to have a number of housing units built on it. I do not think the government is firm yet in the number of homes it is going to build. Pardon me, it is 110 new housing units. "The island community will be increased by up to 110 new housing units, with at least 80 of the new homes to be managed by a housing co-operative. This will expand the community from 250 homes that now house 650 people."

So we have 250 existing homes and we are going to build another 110, 80 of which will be a housing co-operative. Does that mean 30 are going to be freehold? How are they going to decide who is going to be the lucky person who is selected to live on the Toronto Islands' new development? Talk about élitist.

It is so far in the opposite direction to what this government usually spouts off about. They are always talking about equity and equality and how everybody must have an equal opportunity for everything. I wonder how everybody is going to have an equal opportunity to have one of these homes on the Toronto Islands' park land. I wonder how many are going to have an equal opportunity to have one of the existing homes, which are now going to be subsidized by the provincial government through the 99-year leases. Who is going to be the lucky person who is going to be chosen to be one of the 110 new housing unit occupants, either through the co-operative or the 30 homes that are not included in the housing co-operative?

1800

We have seen in the past some very famous people living in co-operative housing in this city, not the least of which was a recent candidate in the mayoralty campaign in Toronto. I just wonder if this is going to be a who-knows-whom to get to be the lucky person who lives in one of these new homes.

At the time this was being discussed, I know I read somewhere that there would be a provision to make sure the resale of these homes was controlled so not too much money could be made if the homes were turned over too frequently. I do not have the details of the contract in front of me, but what a laugh that would be. How is the government really going to control the resale and turnover of these homes in terms of the costs?

I have an intensification housing project in my riding which was pushed through by the Liberal government. It was a project to demonstrate how many houses you could get on the smallest parcel of land. The original proposal was for 52 units on 2.25 acres. We were able to get it down to 42 units, because we took it to the Ontario Municipal Board. That whole issue revolved around the fact that these were going to be affordable houses at \$129,000.

They ended up being \$159,000. Again, the argument was that they would control the resale of these properties and people would not be allowed to make a profit on them.

I am sorry, this is still a free enterprise province, in spite of the work of the socialist government. If you own a house, I do not know how the government can explain to me how it can control the amount you can sell your house for. If you buy a house, unless there is something registered on the deed or the title, you are entitled to sell your house in a free marketplace for whatever you can get for it. I am quite sure in that development at Atwater and Haig Boulevard in my riding we are going to find those houses being flipped over and over, without the controls we were guaranteed would be placed on them during the Ontario Municipal Board hearing.

Now we have the latest fiasco of the Bob Rae socialist government. We are going to allow more houses to be built on the Toronto Islands and more erosion of the beautiful park land that was to have been conserved for the use of the people in the greater Toronto area to escape the downtown city core, winter and summer, all year round.

The irony, when you think about it, is that we spend millions of dollars landfilling into Lake Ontario to build new parts. You only have to look out an airplane as you are flying along the north shore of Lake Ontario, or even go out in a boat or walk through some of the park land that is accessible from Oshawa to Hamilton, where it connects from one park land to another, and look at the acreage that has now been created by landfilling into Lake Ontario. Anything you build in the lake costs 10 times more than it costs if you had preserved existing land on shore to start with. From an economic standpoint, it does not make sense to landfill into the lake to create parks. Our planning has been so regressive that we have built on all our available land on shore.

Nevertheless, that is what is happening. Here we have the Toronto Islands existing and what are we going to do? This socialist government is going to build more houses on them. After all the controversy and struggle about what to do with the existing 250 homes, we are now saying: "Well, that's fine. We've got that resolved. We've got a giveaway, fire-sale, 99-year lease for them and furthermore we're going to build 110 more." Does that make sense? It is ludicrous, but then what else can we expect from this ludicrous government?

I would like to speak for a moment on the concerns that have already been addressed by my colleague the member for Waterloo North, the spokesperson for labour in our caucus. I endorse totally the concerns that she has been expressing in this House over the last several months about the proposed Labour Relations Act amendments. When anybody talks about the labour law reforms proposed in this province, people who actually understand what they might be just cannot believe it. They cannot understand how any government in its right mind would even consider these proposed labour law reforms at the same time this province is going belly-up in terms of the recession and the loss of jobs through the exodus of business, commerce and industry from this province.

So what do they do? Instead of finding a solution, they bring in proposed legislation which will only compound the situation and make it far more grave than it already is. On this subject I feel it is important to read a letter from the Mississauga Board of Trade. This letter is over the signature of David Gordon, the executive director, and it is dated December 1991. It is a letter to their board members.

"Dear Board Member:

"This is a call for action.

"Over the past few months, your board has been informing you of the proposed amendments to the Labour Relations Act, which the NDP is hoping to make law by early spring.

"Should these proposed changes become law, we would see serious erosion in the present balance between employer, employee and union rights. Given the union bias of the current NDP government, it is not surprising to see them attempt these changes. Given a workplace and an economy that does not need these kinds of changes, we cannot tolerate their attempt.

"Please join with us in a massive repudiation of this government's ill-conceived and ill-timed legislation by sending a letter to the Premier, with a copy to your local MPP and the board. We have, for your convenience, provided a summary of the proposed changes and a draft letter that you could use to inform the government of your concern.

"Please take the next 15 minutes to 'go on record' against these changes. It could well be the best 15 minutes you ever spend in defending your rights as a manager."

This letter is signed by Wayne Gallant, the president of the Mississauga Board of Trade, and David Gordon, the executive director.

1810

The accompanying letter reads as follows, and it is addressed to the Honourable Bob Rae, Premier:

"Dear Mr Premier:

"The proposed changes to the Labour Relations Act are ill conceived, ill timed and simply not needed. Why is this government so out of touch with reality on this issue?

"As a business person in Mississauga, I am very concerned with your government's attempt to influence the labour-management scene with legislation that is blatantly union biased.

"Our current legislation is not flawed. It works and is better than most legislation in other jurisdictions of North America.

"In expressing my objections to the proposed changes, let it be known that legislation of this kind, which is so blatantly union biased, sends all the wrong messages to those persons who look to Ontario as the best place to do business in Canada."

That letter is a proposed draft, and that letter says it better than anything else I have seen that is very short and concise. It is pleading with the Premier of this socialist government in Ontario to wake up and realize what devastation is being brought to this province by its proposed amendments to the Labour Relations Act.

I will not take the time now, but I do have another letter here from the ABC, which is the All Business Coalition. This is over the signature of the chairman, Paul A. Nykanen.

It is dated November 26, 1991. They are the same concerns. It talks about the proposed approach being harmful to investment and employment and the fact that in the long run it will cost the province jobs and investment.

It follows that any consultation process is faulty when the premise on which it is based is incorrect. That is one of the things this government is saying. They put out this stuff and sees how it flies and then they say, "Oh, yes, we're going to talk to you."

I think it is fair to tell members about one person whose operation is responsible for the employment of 3,000 people in Mississauga, 3,000 jobs. His name is Don Sheardown and he is the owner and operator of Ontario Bus Industries. Mr Sheardown offered to meet with this minister, and I see the Minister of Labour is in the House at this moment. I say to this minister, if he does not care about the 3,000 jobs for which Mr Sheardown is responsible, then he is betraying the party of which he has been a member and the doctrine of the unions it has preached for all the years we have had to listen to it in this House.

I say to the Minister of Labour, since he is in the House at this moment, that Mr Sheardown builds buses. That is what Ontario Bus Industries is. They build buses in Mississauga. They are the second-largest manufacturer of buses in Canada. They also have a plant, interestingly enough, in New York state. I said about a month ago in this House that here is a man who has a privately owned business who has two plants, one in Ontario and one in—I think it is New York state, but in any case it is in the United States.

He can compare exactly, apples for apples, about the cost of doing business, in this case building buses. He knows for a fact that with the differential in land costs, taxes, wages and everything else to do with the cost of manufacturing, he can make an exact comparison. For Mr Sheardown, he already acknowledges that it costs him 30% more to do business in Ontario.

Mr Sheardown is quite happy to absorb that 30%. He said that. He has been absorbing the 30% differential for some years now. He accepts as a given that if he wants to have this business in Ontario, it is going to cost him 30% more to do the same thing he does in the US for 30% less. He is not quibbling about that.

What he is saying is that the proposed amendments to the Labour Relations Act that this Minister of Labour has brought to this House are the final straw that will make Mr Sheardown have to make the decision about whether he is going to absorb a bigger differential in the cost of doing business than 30% or simply close.

Would you not think that the Minister of Labour would like the opportunity to talk to someone who has exactly the same business in Ontario as in the United States and who employs or whose business through related suppliers, smaller industries and other manufacturers is responsible for 3,000 jobs? But what did this minister do? I can hardly believe this, but Mr Sheardown wrote to the Premier and to the Minister of Labour, who is sitting in the House now, and offered to meet with them to explain exactly how his industry—and his is only one industry—would be affected by the Labour Relations Act reforms.

I have to emphasize, Mr Speaker, 3,000 jobs. He gets nothing from the Premier, no response. The only response he gets from one of the minister's staff is—and I do not have the letter with me today, but I have read it into the record in this House before. The letter simply says: "Thank you for your interest. Your name will be added to a list of people who will be considered for consultation on these proposed labour law reforms." Considered.

They say to somebody who is responsible for 3,000 jobs in this province, "Maybe we'll talk to you." They do not care. This government is the most two-faced government any province could ever have. They spout all the time about protecting jobs and protecting workers, and here's an opportunity for the Minister of Labour to meet with somebody who is responsible for 3,000 jobs. They have the audacity to say in a letter: "We'll add you to a list of people who will be considered for consultation."

They are not even going to consult with him. Do they think a businessman like Mr Don Sheardown has time for that nonsense? It is pure ignorance on the part of this government to treat the business industry and commercial sector of this province with the disregard and the disdain that it does. It is unbelievable. They are going to consider whether they will speak to somebody who is responsible for 3,000 jobs.

Every time something else goes in this province, all we ever hear from this government is: "It's not our fault. There's nothing we can do about it. It's free trade. It's this." It is never their fault. I am saying to the Minister of Labour today in this House that if Don Sheardown has to close Ontario Bus Industries, it will be on the Minister of Labour's head. That gentleman has offered to give his total commitment, advice, counselling and everything else to try to resolve what it is this government wants to do with the Labour Relations Act and what in reality could work in his particular shop, Ontario Bus Industries.

The irony of course is that it is a non-unionized shop. I am sure when the Minister of Labour's staff decided whether they would consider consulting with Mr Sheardown, they probably looked up and found out it was a non-unionized shop and thought: "We don't have to talk to him. Our union isn't there." The fact is that people who work for Don Sheardown's operation are so happy, both with their jobs and their employment conditions, that they want it to continue. So I will be the first to jump up in this House and talk about those 3,000 jobs when that happens.

1820

I have just two final comments. One is that I think we have to keep talking about the fact that through all these ministries before us today in this concurrence legislation, the NDP proposals will do nothing to create jobs in Ontario. They do nothing to make us more competitive and attractive to investment and they do nothing to renew or strengthen the economy.

This is payback time. The NDP proposals will increase the political and economic power of the union bosses and guarantee their support of the NDP in the future. The NDP has already made up its mind to make these radical proposals into law. The so-called consultation process is a sham. My goodness, everything for the union bosses.

We might as well know that it is going to take every single taxpayer in this province to get out and vote at the next election, because although 40% of the workforce in Ontario is unionized, it means the majority of people are not unionized. We still have a way to survive this socialist government, this one of three socialist governments left in the world.

Is this not interesting? I keep saying we can hardly believe the Eastern European countries are free of socialism and we had to get it in Ontario. We are getting it full in the face. The taxpayers of this province will not forget and all these people who are going to lose their jobs because the government is driving business and commerce out of this province will not forget. They can have all the union bosses and all the union members in the world—not in the world, but in Ontario—vote for them in the next election and it will not be enough.

That is the good news. The bad news is that we probably have three or four years to wait before this happens. But the good news is that the majority of these members will be gone. They certainly will not come back into this House with 74 seats. That we can be guaranteed. They will not even come back with a minority government, because the people of this province understand very well what is going on and they will be there to make sure they are gone.

Just before I close, I want to say something about the NDP attempt to wipe out private child care. Here we are again where this socialist government believes nobody should be in business making a profit. That is really simplistically putting what it thinks. If the word “profit” comes up, it is a dirty word. Nobody is allowed to make a profit. Woe betide anybody who makes a profit giving a service to other people, and child care is a service.

As we know, in Ontario there are two types of child care service. One is private and one is non-profit. The private are often referred to as “commercial” or “for-profit.” Well, I should hope so. What is happening is that the records show that new day care facilities built with taxpayers’ money at a cost of \$18,000 per space are sitting empty because many parents cannot afford child care. So is the solution to put the private sector child care people out of business? This government seems to think so.

The United Voices for Fair Treatment in Child Care was formed in response to the NDP government’s discriminatory action against the private sector. It consists of more than 750 taxpayers—parents, educators and operators of private child care centres who are interested in securing fair treatment from the government for all sectors of the child care system.

Whether this government realizes it or not, there are people in this province who want to have a choice about where they take their children for their child care. Members perhaps assume that non-profit child care centres cost less. In fact, for the most part they never cost less. In fact, the Queen’s Park Child Care Centre here was the flagship of former Premier David Peterson, which he opened and there was a big celebration and this was going to be the best child care centre in the province. It is also the most expensive. I have not heard the figures the last couple of years, but the year it opened it was \$250 a week per child.

Even at that it was subsidized by the taxpayers because it ran into a deficit at the end of its first two years of operation.

The word “non-profit” does not mean that it is non-cost. I think we had better start changing the terminology. If we talk about non-profit child care and non-profit housing, we had better really look at what is behind that word “non-profit,” because you can be sure if it says “non-profit” it is at taxpayers’ cost. We should come out front and centre and talk very fairly about what these programs cost the taxpayers and say that, not hide behind this label of non-profit.

Private and non-profit child care centres must meet the same requirements for licensing, so it does not mean that a government-subsidized non-profit child care centre is going to be any cleaner or have any better food or any better staffing ratio. That is all controlled by the licensing. Ontario has 35,000 licensed private child care spaces. What is going to happen when this government puts all those private child care facilities out of business? I would like this government to explain where it is going to get the 35,000 places for those children to be replaced.

Also, private child care operators do not receive funding for startup costs, which can be the case with non-profit centres. Some private operators have already closed as a result of the government’s discriminatory policy, and many other private child care operators have said that they may also be forced to close.

The chairperson of United Voices for Fair Treatment in Child Care, Jackie Cousens, charged that the NDP decision to exclude private day care centres from the pay equity funding not only breaks the government’s promise to support working women equally, but, “It sends a clear message to the 34,000 families who choose private day care that in the eyes of the NDP government their children are not equal to those looked after by child care educators in non-profit establishments.” That is pretty significant. What we have here is a government deciding that it will fund pay equity for those women who work in non-profit day care but will not fund the pay equity in the private sector day care. For a government that beats its breast all the time talking about how great it is about equality and certainly how it is going to protect women’s rights, it does not do any of these things.

Worse than that, because they give the subsidy funding for pay equity to the non-profit child care centres, the private, commercial child care centres cannot keep their staff. I do not blame the staff. If you can be paid more as a female working in a non-profit child care centre because the government is subsidizing the pay equity program, why would you not go and earn more money? Everybody needs to earn more money today, in this recession and socialist government-run province. I do not blame the workers for going, but in essence what this is doing is strangling the private day care centres. Furthermore, it says to the parents that this government does not care about their children. It says to those parents that “their children are not equal to those looked after by child care educators in non-profit establishments.” What garbage. This is nonsense.

1830

Without commercial child care centres, 40,000 of Ontario’s child care spaces would disappear. Now we come to the crunch. After those 40,000 child care spaces disappear

when the private sector gets out of the business, what will happen? The estimates are that this NDP strategy will cost the taxpayers \$1.4 billion. What have they done? They have put a whole business out of business. They have destroyed all those jobs where people were happily employed until the government decided to create inequity and subsidize the women who work in a non-profit centre and not the women who work in a private centre.

I have talked to a lot of children and parents at both kinds of facilities. What parents want is a right to choose. There are a lot of parents who choose a private child care facility, for any number of reasons. Maybe it is the most convenient, maybe it is the closest one to their home or workplace, maybe they have had other children in that centre and know the staff and now the younger siblings are coming along.

Whatever the reasons, this is a free country. At least, I thought it was. I thought Ontario was still a free, democratic province, but I am beginning to realize that under the Bob Rae socialist government we are in fear of losing our freedom and democracy. We are in danger of losing the right to choose. In this case, as far as child care is concerned, parents are losing the right to choose between a private child care operation and a non-profit. Again, I say "non-profit" is a terrible misnomer. Instead of non-profit, it is taxpayer-supported or taxpayer-costed. Members should never, ever think for a moment that non-profit means it does not cost anything. That is the biggest misnomer. We had better start changing it, because the facts are out. We now know what these subsidized programs cost.

Who is asking for it? Which parent in this province is saying: "We want all non-profit centres. We want to put the private child care centres out of business"? Which parent? I have been in politics 18 years and I have something like 87,000 people in my riding. I have never had a single parent come to me and say, "I want only non-profit child care." The more members of the public start to understand how expensive non-profit child care is and that it comes out of taxpayers' pockets, the more they will say, "Give it back to the private sector and let's have private child care back in business."

As I said a few moments ago, very often the cost to those parents and families which need the child care is less in a private operation in a commercial day care centre, and the standards do not change. The standards for licensing requirements, as I also said a moment ago, are the same whether you are private or non-profit, government-subsidized centres. You have to meet the same requirements in terms of licensing to be allowed to care for children.

There are two things. First, what is more precious to all of us than our children and their care and wellbeing? Second, if we are talking about fairness and equity, this socialist party has spouted years of rhetoric about equality and pay equity and equality of opportunity for women, yet it chooses not to fund a pay equity program except in one sector of employment. It is a lousy example. That is about the best I can come up with. It is a betrayal of the people of this province. It is a betrayal of those parents who need child care. With the economy the way it is and the socio-economic climate in this province being what it is, no wonder

both family members have to work. So there is no choice: If you want to have a family and you have to work, you have no choice about needing child care.

What this government figures is, through some miracle, after it has put every private child care facility out of business, it can pick up the 35,000 to 40,000 child care spaces that are presently in the private sector. I suppose eventually it can. It is like the housing. It is going to put all the property owners who have rental accommodation out of business. It thinks it can buy up all the abandoned apartment buildings and small town houses and so forth that are rented. This government thinks it can be all things to all people.

Do you know what, Mr Speaker? Not only can they not do it, but whatever portion of it they try to do means one thing to the people in this province: It means higher taxes and more money out of our pockets. That is what it means, but they do not care, because while they say one thing, they totally do something else. But the people of this province understand. Certainly the commercial business people who operate day care facilities in this province understand and so do the parents who do not want that private day care centre closed because the operators can no longer afford to run it without the government subsidy that is going to their competition, the non-profit taxpayer-paid facilities.

There are so many other areas that I could talk about, but I think at this point I have used up enough time and it is just the same story. If I kept talking and went on to some other ministries, it is just the same story. It does not matter which ministry we talk about. I notice the Ministry of Energy is down here. We could talk about this wonderful program of Ontario Hydro with the imported lightbulbs made in Quebec. Members should just look at this litany. Every ministry that you look at, it is depressing what this Bob Rae socialist government is doing.

I thank you for your attention, Mr Speaker, and I am sorry it is such a depressing outlook because it is such a depressing subject.

Mr Sutherland: I am going to take a little different tone because I do not think it is that depressing to talk about what this government has been doing and will continue to do in the near future related to the ministries that are open for debate. I certainly hope there are still a few viewers watching. I know we have to compete with major newscasts at this time, but hopefully people will be watching and observing.

We have several ministries here to debate and I am going to talk specifically about some of them. One of the things that all of us have to deal with now is a sense of a negative attitude out there, of being depressed, of people just not having confidence in where things are going. I think we as public officials have to try to turn that tide and start creating a mood of confidence and a positive outlook there, of optimism that the upcoming year 1992 is going to be better than 1991.

It has been a struggle, it has been a challenge for all of us, whether in opposition or in government, and at all levels, not just for this provincial government but for every level of government, to try to deal with the challenges and the changes that have been occurring in this province. These are significant changes in the economy that we have not seen occur in the province before, or certainly not for a

very long time. The type of economy we are going to have in this province in the future certainly seems to be a significant change away from low-skilled manufacturing jobs into more highly skilled, value-added manufacturing jobs, and we as a government must assist with that transition.

Throughout this past year while that has been going on there has been a lot of legislation passed. If we look at the ministries mentioned here, it is interesting that we can see some significant achievement out of many of them. We start with the Ministry of Labour, and that brings to my attention first the wage protection fund, which I think is a very significant achievement in this province.

I compliment the minister and the ministry for developing this legislation, which is long overdue, as we know, as we debated that legislation for quite a lengthy time in this House and had quite a bit of comment through public hearings. We know the list of the number of people who were becoming eligible for the wage protection fund continued to grow and grow. We know the wage protection fund is there and is designed to help those people who, through no fault of their own, due to plant closings, do not get all the wages owed to them to get some of their benefits and vacation and severance pay up to a maximum of \$5,000.

1840

I am not sure what the number of people eligible would be at right now. I think the last count I heard was up over 15,000, but it is a significant number, given the type of recession we are going through right now and the number of people who are on social assistance and really struggling to make ends meet in many, many different ways. I believe I read somewhere the average payment was going to be over \$4,000 to those 15,000, so it is going to make a significant difference for many people who have been laid off.

The bill was made back to October 1, 1990, and unfortunately does not cover everyone. It certainly does not cover the many workers who worked at the Harvey Woods plant in my riding and who were laid off. Now some of them are subsequently working again through some of the reorganization that went on and are producing good product, but many of them were not rehired. Unfortunately, because that occurred in February 1990, they were not eligible to receive benefits from this, but I am sure many of them would have been quite happy to know that such a plan is in and that other employees are not going to be left out in the cold in many ways like many of them were left out in the cold.

The Ministry of Labour and I think the government as a whole should be complimented for this significant initiative in this year, for finding funds when funds were difficult and for making a commitment to people and sending a message out there that those people deserve to get what they have worked for and deserve to be compensated for that effectively.

We now know there are many other initiatives under way. We have the Labour Relations Act changes under way. I find the debate around the Labour Relations Act changes quite interesting. I have had many businesses from my riding in to see me and express concerns about it. What I find very interesting is that some of the leading opponents in my riding are plants that are unionized,

plants that have made a lot of money over the years and will continue to make money in a unionized environment.

Why is it they make money? It is because those unionized workers are very productive. They have very good quality control in many of these manufacturing plants in my riding. They receive many awards from the major auto makers for quality assurance. While they are concerned, it would seem to me that in most cases they are not going to be affected by this legislation, because they have developed a good rapport with the union. They recognize the union. They recognize the right of workers to organize collectively and to be represented on a collective basis. We know there are literally thousands of plants in this province which are very successful in a unionized environment and in other areas.

I know people say this is scaring off business and new investment, but my understanding is that this province is still receiving 75% of all the new investment coming into Canada. When that figure was stated at a meeting I was at with my colleague the member for Norfolk, the parliamentary assistant to the minister, someone got up and said, "That's not a new figure; that's the way it's always been." That leads me to believe people are not being scared off by what this government is trying to do, as the opposition would allege, if that figure is staying consistent as it has been able to do over the last year.

We have much larger problems, and those are in terms of how everyone is viewing the Canadian economy as a whole. Many people are concerned about issues of interest rate differentials, the high Canadian dollar and some of the other things related to federal policies. I certainly hope some of those issues will be discussed at this first ministers' conference on the economy, because we need to get people back to work and we need to do our very best to achieve that.

I mentioned that close to 15,000 are eligible for the wage protection fund, those people who have lost their jobs since October 1, 1990. We know the numbers are far higher, so we have to try to get those people back to work.

We also have the Ministry of Industry, Trade and Technology. As I just mentioned, it is a challenge. Right now, some of the news we are hearing from our neighbours to the south is that they are in a recession and consumer confidence is a bit low there. I know the minister and both his parliamentary assistants have been working diligently. They have been travelling around this province a great deal, listening to business and all kinds of people, hearing their input on what we should be doing to try to improve the economy, get new investment going and get the economy going overall. I know they will be continuing to work in that area, bringing in new initiatives to try to deal with promoting new industries and saving some.

We have the Ontario Development Corp, which has been a very effective tool over the years and continues to be a very effective tool. I know there have been a few industries in my riding that have benefited from some assistance from the ODC to get them through a difficult time, because they are very viable businesses and industries. Sometimes when we go into these recessions, they struggle a little bit, whether it is a question of difficulty in stabilizing

financing with a financial institution or starting a new product line so they can expand, become more competitive and seek out new markets. The Ontario Development Corp overall has been a successful institution.

We did not leave it at that. The ministry came out with the manufacturing recovery program when the budget was announced—\$57 million to help small and medium-sized manufacturing get through the recession, because we know that is where a great deal of the jobs have been lost. That does not mean we are going to be able to help all industries, and we certainly know that. Of the ones we will not be able to help, there will be a great challenge for communities to try to deal with that.

I have had at least two closings in my riding. One was P & H Foods, which was a turkey processing plant. Over the last few months of its existence, it did not have many people working there, but at one point it had well over 150 people working in it. It gradually downsized and then closed permanently.

More recently, we had the closure of Borden Co, which had 79 employees. I understand that was closed due to rationalization. The production is going to be moved to a plant in Montreal and one in Pennsylvania. This plant had been very successful and productive over the years. It was a very old plant, originally built in 1895, but it had been an integral part of the community. That plant will be closing at the beginning of the new year.

Certainly whenever we have plant closings at this time of the year it is very difficult for people. At a time when we are supposed to be happy and optimistic about the future and sit there and celebrate what we have and be proud of what we have, it makes it very difficult for many families and many people.

1850

But the ministry is working very aggressively. We know it has also made initiatives in terms of helping to bring the so-called space university here as one of the proposals that was put forward. It has been active in recruiting that. It has been active in recruiting many other businesses and working with people who want to invest in Ontario—and people do want to invest in Ontario because they know we have a very productive workforce. They know we have a very good post-secondary education system. They know they can find many skilled workers.

Many successful businesses know that the main reasons you succeed are, first, your product, the service you offer, but it is also the people—the people who manufacture the product and the people who go out and provide the service. Here in this province we have a very good track record on that. It does not mean there is not room for improvement; we certainly know that. As we move more into a global economy and a more competitive environment, we have to work continually to increase our quality of service and to increase our productivity.

The question I guess becomes, how do you define increasing productivity? Some people believe it is simply producing more—if I may use the expression, more widgets in one hour—but many successful companies have defined it in a different way. They are able to produce more, but then they go to different production techniques

and they make better-quality widgets in the amount of hours, so their customers are happier and they are more likely to come back for further contracts and further business.

We have to be careful we do not let productivity get caught up in this mindset that I think at times the third party wants to represent, that lowering people's wages is how you are going to increase productivity. We certainly know we do not want that and this country cannot become simply a low-wage economy or it is not going to survive and we are not going to be able to maintain and improve the quality of life and standard of living we have come to enjoy in the postwar era.

Moving on, we see that the Ministry of Housing is also one of the ministries that has been up before the standing committee on estimates and up for debate here today on concurrence. I think the ministry has been very active over the last year on many fronts; first of all, on the issue of bringing in true rent control legislation. In my riding, I have dealt with certain apartment buildings where they had proposed increases of 25% or 30% and I met with the tenants, who were very concerned about that. They will be resting far more comfortably knowing there is going to be a set process, knowing what the rules actually are and knowing they will not have to face double-digit rent increases.

Mr Stockwell: On a point of order, Mr Speaker: I think even if you counted every member twice, there would not be a quorum.

The Acting Speaker (Mr Villeneuve) ordered the bells rung.

1854

The Acting Speaker (Mr Villeneuve): A quorum now is present. The honourable member for Oxford can resume his participation in the debate.

Mr Sutherland: As I was saying, talking about the Ministry of Housing in terms of the initiatives regarding the issue of rent control, tenants in my riding will know with a much greater degree of certainty what type of rent increases they can expect. They know they will not have to face double-digit increases, because as members know, most people's income does not increase by double-digit figures in one year. Certainly in the case of the vast majority of people who are renting, their incomes definitely do not increase by double-digit rates.

Housing is a basic necessity and needs to be a right—

Mr Stockwell: On a point of order, Mr Speaker: Is there a quorum?

The Acting Speaker (Mr Villeneuve) ordered the bells rung.

1856

The Acting Speaker (Mr Villeneuve): A quorum now is present. The honourable member for Oxford can resume his participation in the debate.

Mr Sutherland: I certainly hope the reason we are having trouble keeping a quorum is that people are out meeting the new Lieutenant Governor and not because, for whatever reasons, they are not interested in the debate. I am quite sure many members are, but if I had the option, I would probably go to see the Lieutenant Governor as well.

I was speaking on the Ministry of Housing and what it was doing on the issue of rent control and applauding it for bringing some certainty to that area in terms of the difficulty of many tenants in dealing with double-digit increases in rent, particularly when their incomes are not going to increase by a double-digit percentage, and how housing is such an essential right and a necessity for everyone in this country.

I also think it is important to applaud the ministry for some of the other initiatives it is doing on the issue of non-profit housing and co-op housing. Many people find that a very appealing way of living in this day and age is in co-ops. They feel empowered in the decision-making process of how their living conditions are going to be and how they can participate to make their co-op community a better place.

I also had the pleasure of attending the opening of the new women's emergency centre in my riding. This shelter for battered women was opened in October through a joint effort between the provincial government's Ministry of Housing and CMHC at the federal level. They were able to come up with the necessary funds to have a mortgage and to build a new facility. As I say, I was pleased to be at its official opening.

It now has disabled access, which I know all of us are certainly glad to see, because in my community, while we had the shelter, it was not accessible to the disabled before. We know from many studies that rates of abuse for the disabled are quite high, so it is important that we were able to add that. Again, I think that was a very positive step and I am sure the Ministry of Housing will be working on continuing to expand those types of facilities so that they are accessible to everyone in our society.

Moving on to the Ministry of Skills Development, an initiative that I believe my colleague the member for Durham East and the parliamentary assistant for the greater Toronto area mentioned was the Ontario Training and Adjustment Board. This is a topic I get very excited about in terms of the new Ontario Training and Adjustment Board and the initiatives coming out of there. I just think there are so many good things in it that need to be talked about and that the people of Ontario need to know about. First of all, in terms of what its goal and objective is, it is to set up a system so we have effective skills training for those people who want to get it, and not only skills training, but as I say, an adjustment board.

Mr Stockwell: On a point of order, Mr Speaker: I think there have to be 20 members and they are just not here again. I do not think there is a quorum and we should have a quorum for such an important speech as this.

The Acting Speaker (Mr Villeneuve) ordered the bells rung.

1902

Mr Sutherland: It is becoming more obvious that the new Lieutenant Governor is very popular among the members. I am sure many of them are enjoying his company. I think that is a good sign for the people of Ontario overall, how well liked our new Lieutenant Governor is going to be, following in the tradition of our past.

Before we were interrupted once again, I was talking about the Ontario Training and Adjustment Board and how

excited I am about this initiative because of the different positive aspects to it, and first of all, about people getting the necessary training they need. As we know, as I mentioned earlier when talking about the Ministry of Industry, Trade and Technology, successful companies are those that have good people and it is good people having the right skills to produce the product or deliver the service that in the long run will make companies very successful.

Certainly for generations gone by they came out of high school, went to work for a company and thought they would spend the rest of their lives working there for that company. Things have changed a great deal from when many people who came out in the 1950s and 1960s went looking for employment.

We know that in this day and age we need a lot of new skills and constant upgrading. We know all the so-called futurists and the people say that many people are going to switch their professions three and maybe four times throughout their working lives. If we are going to be able to manage that successfully, then we are going to need to have an effective training program and the word "adjustment," as we also said. I think that is the other key component that needs to be emphasized.

For those many people and many of the 15,000 I mentioned who are going to be eligible for the wage protection fund when they lose their jobs and need to learn new skills, to find new jobs and to adjust to the new conditions, they will be able to do that effectively because we will have a very good system in place. People will be able to feel they can access the system very easily and know where to go to get the type of training they want to pursue.

Mr Cousens: On a point of order, Mr Speaker: It would appear there may not be a quorum present.

The Acting Speaker (Mr Villeneuve) ordered the bells rung.

1905

Mr Sutherland: Mr Speaker, I must tell you that it gets a little boring to hear the same stuff time and time again, but we will do our best to deal with it.

As I was saying in terms of people getting training, I talked about the adjustment process for those who lose their jobs as a result of plant closures. Many of those people are eligible under the wage protection fund, and I think the other key ingredient is the proposed setup for the Ontario Training and Adjustment Board. That is a true spirit of co-operation. Members know that the Premier, in many of his speeches to labour, business and people all across this province and outside this province has talked about developing a new spirit of partnership and co-operation.

To me, the Ontario Training and Adjustment Board proposal is the prime example of how business and labour can work jointly in dealing with the needs of the economy, in helping to manage the economy and in helping to make this province more productive and more competitive, to the benefit of everyone.

Obviously, businesses are going to benefit because there will be a much greater and more highly skilled workforce that will be more adaptable and more flexible, so that they can move quickly to meet the changing consumer

demands out there in the global economy. Workers will benefit because they will be able to get new training and can have a greater sense of security. If they are in a job that looks like it is in an industry that might be a bit shaky, then they can have a much greater sense of confidence about being able to get new training and move into a different industry and be productive again. As we know, people are not unemployed because they want to be. People want to work in this province.

The unfortunate problem is that we have a very high unemployment rate and there are not as many new jobs being created as we would like. But this training and adjustment board initiative, as outlined in the discussion paper presented by the Minister of Colleges and Universities, who is also responsible for Skills Development, is just excellent.

I think the other emphasis he has put on it, that a great deal of the skills training will continue to be done by the public sector, in terms of colleges and other public-type institutions, as has been done in the past, is just going to be wonderful because they have been doing a good job. I believe the minister, in response to a question, has indicated that much of it is being done by the public sector now because they are coming in with the most competitive bids in terms of when contracts for skills development are tendered out. I am sure that our public institutions, particularly the colleges, will continue to do that.

I also want to say that I think another positive aspect is how the provincial and federal governments are working together. I mention this not from the most political sense of federal and provincial, but in terms that two different levels of government can come together to work out a procedure to reduce bureaucracy, to reduce overlapping, to create a system that will have co-operation between the two delivered by one level of government, but both will be participating and understanding. I think whenever any government can work with another level of government and figure out how to deliver a service in an effective manner where there is overlapping with another level, that needs to be commended and praised.

I am going to leave talking about Northern Development and Mines to some of my other colleagues. Not being from the north, I do not feel that I am qualified to comment a great deal on that issue.

I am going to move on to the Ministry of Health. We heard comments from both the opposition parties during some of their presentations, by the member for St Catharines and by the member for Mississauga South, talking about health care. It is quite interesting. The member for St Catharines has certainly been advocating the needs in the Niagara region in this House for a long time, and he is to be commended for that. I know the members on this side from the Niagara region have been working very hard to ensure that their area is receiving health care service. It needs to be noted that the member for St Catharines is not the only one doing that. Many members are.

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We are entering a new phase in terms of how health care is delivered in this province and this country. I think, as the Minister of Health has said on many occasions, what we have really had has been a health insurance system. We

have not had a managed health care delivery system. This government is committed to developing that.

To move from the one system to a new one is certainly going to require a great deal of transition. It is going to require a lot of us—elected officials, the public at large, consumers of the system—to rethink how we are going to use the system and what our expectations of that system are.

The member for St Catharines talked about cutbacks in the health care system and the old-fashioned view that the only way you can solve the problem is by adding more money to it. Members are certainly well aware of what the financial difficulties are for governments at all levels these days in terms of trying to find the necessary resources to meet all the needs. It has been an ongoing challenge for governments for many years, but it is growing and becoming even more of a challenge.

If we are going to be able to meet those needs effectively in a lot of areas outside of health—I think it is important to note that many areas outside of health have grown and been recognized as areas of importance. I mentioned earlier the women's emergency centre in my riding and being at the opening. When you look at the initiatives in terms of recognition of the issues of violence against women, 10 or 12 years ago, when the shelter in my riding first got going, many people did not recognize it as an issue. It was covered up. The initiatives have really taken off there. If we are going to be able to deal with them effectively, we have to find more resources to commit to these different areas.

There is a host of other areas where I could comment to that effect and say that we need to find more resources, but we know where the health care budget has been going over the last decade: increasing at almost double-digit rates. Quite clearly, it poses a problem for any government at any level in terms of finding the necessary financial resources to keep pace with that. With these new areas becoming more important, because society is becoming more aware due to effective education campaigns and has a much more open and progressive attitude towards these areas, it is important to find those resources.

As we deal with the issue of health care and how we fund it and go to a system of management rather than just insurance, it is going to take a great deal of effort. It is going to have some struggles along the way. There are certainly going to be some bumps along the way. There are certainly going to be some difficulties along the way in this transition that will occur. I do not think any of us on any side of the House think that is not going to occur.

It is ironic to hear the leader of the official opposition talk about the deficit and tax increases one week and then talk about a cutback in services the next week. He wants to have it every way. As members know and I know, we cannot have it every way. There are limited resources. There is a great need for services and as a government we can increase revenue only a limited amount, particularly in these times. Tough decisions are going to have to be made.

This government has already made tough decisions and, I am sure, will be making more tough decisions in the upcoming year. But we are going to try to make those tough decisions with the greatest degree of compassion, with a great sense of understanding for what the needs are

out there, and try to look at it from a sense of fairness and equity. I do not relish the idea of having to make these incredibly tough decisions.

I know all of us in our own communities are constantly advocating more and increased services. We all joke about it and say: "If you're going to make cutbacks, fine. Just don't make them in my riding." But we know we can only joke about it because if we are going to control expenditures overall, then there will have to be cuts in everyone's ridings, in the great part of the province your riding is in, Mr Speaker, in mine, and I am sure even in the Cochrane area there will have to be some. But hopefully we will do it, as I say, with a great sense of fairness and an attempt to meet all kinds of needs.

I do want to commend the Ministry of Health for its leadership in this area, to help to manage expenditures and to get us into a system of overall health care management. While I am saying that, let me say we are sometimes critical of how the system is administered right now. We have many very dedicated individuals in the health care system right now, doctors, nurses, health care aides, the support staff who work in the hospitals, the administrators and the volunteers on the boards. All of them are very dedicated and they are looking at the system for what they think is best for serving their community.

As I said earlier, all of us are going to have to rethink how we deal with the health care system. All those people who deliver it are going to have to rethink, and I think they are all willing to do that. I think they want to be part of the process for change. It will be important for all of us to try to make sure they are included in that process, because I think they have many of the answers on how we can change the system. In the long run, we will be able to afford the world-class health care system we have and it will continue to be the envy of many countries around the world, including that of our neighbours to the south who, although it has the great free enterprise system and the great system of efficiency, as we all know, cannot deliver health care as efficiently as we can here in Canada and in Ontario.

I want to talk about a couple of other areas, particularly the Ministry of Agriculture and Food, given the fact that Oxford county is the dairy capital of Canada and a very prime agricultural area in the heartland of southern Ontario, very diverse in its nature—

Mr Lessard: Great cheese, too.

Mr Sutherland: Very good cheese as well, that is right, and many good farmers have done very well for many years. They are very good managers of the system but they are all struggling right now. They are struggling because of the serious situation we face not only in this province but throughout the country, and I guess in many ways in the agricultural sector throughout the world. You are certainly very familiar with this, Mr Speaker, being a strong advocate for the farmers in the province. But the farmers in Oxford are struggling and will continue to struggle due to low commodity prices. Many of them have increased debt loads in the expectation that commodity

prices would increase and they have not, and now they are finding that a great struggle.

I am very happy that the ministry was able to respond over the past year in terms of several initiatives, first of all participating in the gross revenue insurance plan and net income stabilization account to try to bring some stabilization to prices over the longer term. I am also happy with the initial money, well over \$2 million, that was allocated in interest relief. The farmers of Oxford have benefited. I know they are extremely appreciative that this government was able to find that money.

They also will benefit from the most recent announcement, the interim announcement that came back on 1 October, the \$35 million. They will be getting a good portion of that. Some communities—and we know the member for Essex-Kent has been a strong advocate for the area that has been hit by the drought—obviously need to get a good portion of that as well and certainly will be getting a good portion, greatly due to the efforts of the member for Essex-Kent.

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The farmers also realize, and I think we also realize, that this money is not a solution to the problem. It is to try and bridge and get us a little more time so that we can hopefully work out some of the things in terms of GATT negotiations. We have heard the Minister of Agriculture and Food be a strong advocate in terms of ensuring our position is strong, in securing our marketing boards, our system of supply management. As members know, the system of supply management is not a subsidy system. It is a very effective system that ensures that there is an adequate supply to the consumers and that farmers get a fair return for production of their goods. I commend the ministry for its leadership on that issue.

The land stewardship II program was built on the heels of the very successful land stewardship I program, which had a tremendous impact. Farmers are very eager to get involved in issues of land stewardship and of environmental concern. There was a great response to the first one, which dealt a lot with soil erosion issues and how to more effectively manage the quality of the soil. Land stewardship II has had a much different focus in terms of trying to deal with issues related to liquid waste and its impact in terms of getting into our water streams and the programs to control that.

Farmers in Oxford have been at the forefront in providing good leadership by the significant number who have signed up to participate in the program. Obviously, not all of them are going to be able to because there is a limited amount of funds, but this is very good leadership on their part in terms of wanting to be involved. They know about the environment and they know why it is important to protect the environment as much as anyone does, because they know it is in their own benefit for the long-term survival of agriculture in this province.

On the Ministry of Energy, I am very pleased with a lot of the initiatives that have been going on in terms of the issue of energy conservation. I think it is important and we have to continue those efforts and upgrade those efforts. I know it is a struggle and a challenge for many of us to change our lifestyles. We have certainly developed a life-

style of convenience, and we equate that to a standard of living. But I think that in the long term, if we are going to look at quality of life and be sure we can maintain a good quality of life, then we have to continue our efforts in energy conservation. Clearly, the impact of new hydroelectric dams and developing new sources of energy have detrimental environmental effects. If we are going to limit that, minimize that impact, then all of us are going to have to upgrade our conservation efforts.

I have been pleased to give several of the municipalities in my riding cheques from the Ministry of Energy because they completed energy audits and applied for programs where they could improve their facilities to make them more energy-efficient and save hydro. Many of them were municipalities, so they are saving the taxpayers money as well by participating in these programs.

While we are at a very festive season and lights are always a great symbol during the Christmas season, I certainly hope the many residents of Oxford and throughout the province will be very prudent in their use of Christmas lights. While they certainly add to the celebration, I think it is important that even at this season, the season when there are sometimes celebrations and festivities and we get a little carried away, and certainly at times of excess, we should remember it is also a time to remember to still be efficient in our energy use when it comes to issues of lights.

I applaud the Ministry of Energy and I certainly hope it will continue to keep up its initiatives and that all of us will do whatever we can to promote energy efficiency, because we are very fortunate to have the vast resources we do. Many other countries do not, but that does not give us a right to abuse that and to waste energy. Again, we will have to continue to work on that area.

I want to speak a little bit about the initiatives the Ministry of Financial Institutions is taking with auto insurance reform, and particularly about what it is doing around the issue of students, but I know some of my colleagues on this side want to participate and give their input.

I started out my speech by trying to counter what the member for Mississauga South had said about how it was such a depressing story. I have highlighted several of the ministries and their initiatives over the last year and what they have been doing to make this a better province. To me it is not a negative story or a pessimistic one. It is a very positive one and I am very proud of what we have been able to achieve in the first year.

While the challenges are going to be more difficult because of even more limited financial resources in year two, I know this government will continue to try to make this a better place for the province as a whole and for the residents in the riding I represent, and I am very proud to represent the fine people of Oxford.

Ms Poole: I must say that over the last few hours as I have listened to the eloquence of the member for Mississauga South and the member for Oxford, I am just absolutely stunned and amazed at how many words can be used to say so little. But we do appreciate how very eloquent they have been in saying those words. I want to address the Housing estimates.

Mrs Marland: On a point of privilege, Mr Speaker: My point of privilege is that I would like the member for Eglinton to clarify her comments, because I was very complimentary to her during my speech.

The Acting Speaker (Mr Villeneuve): That is really not a point of privilege. The honourable member for Cochrane South, on a point of privilege?

Mr Bisson: I agree entirely with her comments.

The Acting Speaker (Mr Villeneuve): The honourable member for Eglinton, please continue. You have the floor.

Ms Poole: It appears I have created a rift in the NDP caucus between the member for Cochrane South and the member for Oxford, so I apologize for that in advance.

Mrs Marland: But you think I am great, right?

Ms Poole: Of course the member for Mississauga South is great. She asked me if I would say that and I would be happy to say that at the moment.

Seriously, the Housing estimates are something we should not joke about, because there is a lot of money being spent and it is incumbent on us in this Legislature to make sure it is being spent wisely. I have been rather appalled in the last year to see a number of ways in which money is being spent, hard-earned taxpayers' dollars that I could not in any sense of the word say were spent wisely and well.

I will start off with this little piece called the Rent Control Options. This little baby was sent across the province to one million tenants. That is right, one million tenants at a cost in the vicinity of \$500,000. That is what the government admitted it spent on it, so we can be assured that by the time it has squeezed some consultants' fees into other areas and printing into other areas, it probably cost far more.

I am all for having tenants involved in the process, but I am not in favour of having tenants involved in the process if it is a mockery, and that is exactly what this was. The minister announced on February 18 that he was releasing a consultation document on rent control and on the long-term system. The minister said, "We are going to do a mailing across the province to tenants to involve them in this process," but what they did was send out a glib little six-page sheet which gave very simplistic one- or two-sentence descriptions of very complex problems and then said to tenants, "Tell us what we should do."

I think that is an insult to tenants' intelligence. They did, to be fair, offer in this six-page blurb that if tenants wanted the full consultation paper to learn more about it, to call in or write in and they would send them one. But this is where we see the process for what it is, because on the one hand they offer to send out this consultation document so that tenants can be informed so that they can answer the survey, yet at the deadline five weeks later when the survey had to be in, there was a huge backlog of thousands of tenants whose calls had gone unanswered. They never got the document. They could not make an informed decision. At the end of the day, how many tenants responded out of the one million tenants who were advised and who were sent this mailout? Seventeen thousand out of one million. What type of response is that? A response of 1.7%, if my math is correct. They spent \$500,000 on this sham, this

mockery, this so-called consultation exercise, and what did they do with the results? The results meant nothing.

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At the same time, they held so-called public hearings, but these were public hearings NDP style. Again, taxpayers' money was being spent on a process where they sent the minister, the parliamentary assistant and the government whip for the standing committee on general government on a road trip to all these various communities. They have a funny kind of democratic process in the NDP caucus.

Mrs Sullivan: Funny is right.

Ms Poole: Funny is right, as the member for Halton Centre mentions, because what they said was: "We decide who the speakers are. We decide the speakers' list. Joe Q. Public or Josephine Q. Public who comes in off the street cannot say anything. They are just allowed to sit there and listen." The government has guests who are invited to speak. There is no question and answer period. That is missing, so there is no opportunity for people from the floor to actually ask: "What does this mean? What are the ramifications? What happens if we do this?" That was missing.

After I wrote a letter to the Minister of Housing asking whether the opposition critics could be involved in the process, they said: "Yes, we are a democratic party. We are a New Democratic Party. Come to the meetings. You can sit at the front and be part of this process, but you cannot speak and you cannot question. You may sit there and listen." I do not know about you, Mr Speaker, but to spend taxpayers' dollars on this kind of mockery, travesty and sham is beyond enough.

The real irony is that they spent \$500,000 on a meaningless survey, meaningless because they did not do anything with the results, meaningless because they rushed through the process. This mailout was done the end of February. Tenants had to have their answers in by April 5. Tenant leaders and landlord leaders all said the same thing: "Slow it down. How can you hold these hearings? How can you do a so-called consultation on such a complex, important issue? How can you do this and not truly involve us but railroad through your own ideas?"

What was the result? The result was Bill 121, which has been mired in controversy. We recently went into clause-by-clause. The government had 100 amendments to its own bill, 100 amendments just on its side, not to say anything of the fact that the Conservatives and the Liberals together had another 100—a total of 200 amendments to a 130-clause bill. So when this government talks to me about consultation, it makes me sick to my stomach, because it spends the taxpayers' dollars and what we get in return is nothing less than a sham.

That is the one area I wanted to address in the Housing estimates. The other area I want to talk about is non-profit housing and some of the difficulties we have encountered in that regard.

By the way, just before I go on to non-profit housing, members might be interested to know that when we were talking about the housing option paper, the government commissioned a Goldfarb Consultants report on tenant

focus groups on rent control. They had some very interesting results.

The first thing they found out was that there was very low recall of the ministry's mailout. The government spent \$500,000—it admitted to \$500,000; we do not know how much it actually spent—yet tenants could not remember receiving it. The second thing they found out was that most tenants were not even aware of Bill 4 and Bill 121, which meant that all this money they were spending on communication and so-called consultation was a bust. The tenants did not know about it because the government was not informing the tenants of what they needed to know.

The third thing is that tenants could not recall any public hearings. Now is that not interesting? They make a big deal about this public hearing consultation process and the tenant focus groups that were consulted by Goldfarb could not remember that they even had public hearings. They found out that tenants wanted more information and did not feel they were getting enough information.

What this does is show the government's action for what it is. It put politics before people and I think that is absolutely disgusting, particularly when there are people in this province who desperately need housing. When we have money being spent on that rather than on housing people, I call that a real shame. If they had meaningful consultation with tenants, that would be one thing. I would wholly applaud that.

I have spent the last five years informing tenants and producing tenant guides for them to explain the rent review process and to explain the Landlord and Tenant Act. But to engage in this kind of thing is just ridiculous.

Going on to the non-profit housing, we have had instances where the lack of flexibility of this government is really detrimental to making sure the taxpayers' dollars are being spent well. I give members the example of the town of Wawa. I think a number of members have heard of Wawa; some may even know where it is. It is a very small town and it has been absolutely devastated by the recession. They have lost so many jobs that the town is foundering. The town is struggling to survive.

In the middle of all this the Ministry of Housing approved a \$5-million non-profit housing project. I believe there was something like 40 to 42 units involved. The problem is that Wawa's population is declining dramatically. They have vacancies all over the place because people are moving away. There are no jobs. So they contacted the ministry and said, "Look, we desperately need the \$5 million to be put into jobs to keep people in Wawa." But what is the government's response? The government's response is silence.

If this was just NIMBY, if this was the not-in-my-backyard syndrome, then I would not have a lot of sympathy for that; if they just said, "I don't want non-profit housing next to me." But that is not the point of these people in Wawa. They are saying this government is committed to spending \$5 million on housing they simply do not need.

The government has to have the flexibility to see where the need of the people is and to reassess. There is no shame in saying, "This housing project for this particular town at this particular time is not what this town needs." I call on

the Minister of Housing to relook at this situation and at the circumstances and to review her decision.

There are other instances which I would like to tell the members about. The Ministry of Housing approved a project at 106 Beverley Street. This was not building new housing; this was renovating old housing. Do members know what the cost of the renovations was? It was \$91,000 per unit, and this is not new housing. The private sector can build units for less than that. This was renovating an old building. What are the priorities of this government when it is spending \$91,000 a unit? That is not even the kicker. The real kicker is that these are not self-contained units. They are not apartments. These are rooming-house units where they share facilities like the kitchens. So \$91,000 was spent on a renovation like that. Where is this government's head?

I think it is the wife of a prominent NDP federal politician who recently announced he will not be running in the next election who is involved on the board of directors. The labour congress is the general contractor and management of this particular project, but let's not talk about all these conflicts of interest. Let's not talk about why this particular project got approved at \$91,000 for renovation of a rooming-house unit.

Let's just talk about the cold, hard facts and how much that money could have bought in new units. If they are going to renovate, surely they can get something more cost-effective than \$91,000 per unit. The NDP are quite silent now. I cannot quite understand this. I am glad they are listening. I hope they are listening, because they have to take a look at what their priorities are.

Mrs Sullivan: On a point of order, Mr Speaker: The member for Eglinton has pointed out that the New Democrats are noticeably silent. I think it is because there are not enough of them and I suspect that we need a quorum call.

The Acting Speaker (Mr Villeneuve) ordered the bells rung.

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The Acting Speaker (Mr Villeneuve): We now have a quorum. The honourable member for Eglinton has the floor and may resume the debate.

Ms Poole: I am really disappointed that the NDP members do not want to hear my comments, but—

Hon Ms Gigantes: We were watching you on TV while we were eating our sandwiches.

Ms Poole: The Minister of Housing said they were raptly watching me on television as they ate their sandwiches. That is good to know.

Hon Ms Gigantes: It was hard to eat when you were saying you were sick to your stomach though.

Ms Poole: I hope I did not ruin their dinners as I said the words "sick to my stomach."

These are the kinds of things I am talking about when I am talking about the waste of taxpayers' dollars. What the Ministry of Housing has to do is put more flexibility into the system. They have to be looking at what they can get, the best value for the dollar, and they have to be able to not only cut through the red tape, but also ensure that when people are prepared to build non-profit housing, we are

going to get the best deal. If it means we have to use some flexibility with the rules, we should be doing it, because I cannot comprehend why we are spending \$91,000 on a renovated unit, I cannot comprehend why we are spending \$5 million in Wawa when they do not want the non-profit housing and I think we have to build in that flexibility.

There is one other example I want to use. The member for Parkdale was talking to me just today about a non-profit unit that is to be built in Parkdale, and all the community coalitions—the tenants' federation, the local MP, the MPP, the local councillor, the community groups—are saying, "Do not proceed with this project." The cost for this project is now up to \$170,000 per unit, and when you have that kind of money being spent on one single unit, think of the cost to taxpayers. Think of what the subsidies have to be for that particular unit, not only this year or next year or whenever that building is finally completed, but think of what it is going to cost down the line.

Earlier I was looking at the Housing estimates and some of the answers the ministry gave to us in Housing estimates, and by the year 1995-96, I believe it was, we are going to be spending over \$1 billion in subsidies: \$1,024,000,000. That is just in subsidies.

What I am saying to the minister is that we have to make sure the money we spend is spent wisely and well. I am not saying we do not subsidize people in housing. For years, under my government, if I can be so possessive as to call it my government, the government of which I was a part, and under the NDP government, I have been talking about the in situ placements, the rent-geared-to-income placements, where in existing buildings we increase the number of placements where tenants can get subsidized and live in their own homes at a far lower cost than in a new building. I am not saying, "Don't build any new buildings." I am saying when we build new buildings we must make sure that we get the best deal on the land and the development and that the need is documented, that the need is there and that when we spend the money it is spent well.

On the other hand, in the meantime we should be providing that money we have saved by spending taxpayers' moneys wisely and well. We should be spending it on increasing the rent-geared-to-income supplements so that people do not have to move to a non-profit building in order to get some help, so that seniors, single mothers and people who are on low incomes can stay in the unit where they may have lived for 20 to 30 years and get assistance from the government. But instead of the \$1,600 to \$1,800 it might cost to supplement that income under a new unit, they can be supplemented for maybe \$200 or \$300.

It has to be a balance. It has to be a combination. Yes, the government does need to increase the existing housing stock, but it sure has to change some of those rules. It has to bring flexibility into it to make sure we are not wasting money. At the same time, it has to increase the subsidies in the existing buildings. It is the only way it can work.

I will wind up now because I know a number of my colleagues would also like to make their remarks tonight. I challenge the Ministry of Housing to look at some of these projects and rethink its views on them. The taxpayers expect

nothing else and in these hard times we expect those taxpayers' dollars to be spent wisely and well.

Mr Cousens: In speaking on concurrence in the spending of the different ministries, I am putting on my hat as a member for some time of the standing committee on public accounts. One of the things we look for, certainly through the assistance of the Provincial Auditor, Mr Archer, who is retiring at the end of this fiscal year—in fact by the end of December he will have retired. He certainly has done a great deal to assist this Legislature in getting value-for-money audits.

As we look at each of the ministries, one of the things that I as a business person bring to the table—I think the members of the public accounts committee generally have had this feeling—is, let's make sure we are getting value for the dollar. Where are we getting that value in this government? I have a tremendous sense that we are not getting the quality of service, the value that in fact should be there. Never mind what was there just a few years ago, but what should be there now.

I would like to touch on two or three areas that really need to be looked at in this view. One happens to be education. When we see the high school dropout rate approaching 30%, we begin to see an urgency around education. The problems stemming from inadequate literacy and numeracy skills in the workforce are well documented. What we see is that by the year 2000 we will be demanding more and more education and training of our young people.

I would like to challenge the government and the Minister of Education to place a greater emphasis on the early and formative years of education, requiring that all students acquire the basic competencies needed for further learning. If you are hiring someone into the workforce these days, how well can they read, how well can they write and what are the mathematics skills?

We should also put a higher priority on the education of students whose disadvantaged backgrounds predestine them to difficulty in school and in their careers. There are many young people whose homes do not give them a square meal to start the day and whose own home situation is not strong enough to help them get into school and take advantage of the system we have. Let's at least begin to understand their needs and try to find some answers.

Let's begin as well to integrate technology with education, finding an emphasis for math, science and problem-solving skills across the curriculum. The movement towards psychology for students who go into university, rather than into maths and sciences, is creating a real problem for us in that we are not generating the kind of growth in high-technology subjects we should be putting an emphasis on.

Education at every level needs to be given a fresh emphasis. On the university side, when you start reading about the number of students in classes and the kinds of shortages that are taking place there for supplies, for teachers and for services, you begin to see a problem being generated.

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I would just like to touch as well on quality and value for dollar. It is a huge dollar that we put into education. Are we getting the benefits out of it? I find more and more

people worried about what is going to happen as the young people come out of any of the school systems we have. There are exceptions, and I think those exceptions start with the quality of the teacher and the principal in each school, but somehow or other society is being short-changed for the amount of money being invested in education. I see the education of our young people as one of the greatest and most important investments we as a society can make, the education of our young people as they proceed beyond high school into apprenticeship programs or into university or community colleges, and the re-education of people once they have been out in the workforce and they come back needing to be strengthened and acquire new tools, learn new trades. Every one of the people going through school today will go back to school many times over, far more than those of us who went through earlier.

I am concerned that the value for money is not there in the way this government approaches it. This government does not stop and consider the value and the quality of the service that will be presented for what it is offering. They came along and said \$30 million will go into the elimination of child care by the private sector, and the \$30 million will now be spent just to convert the private sector into a non-profit sector for delivery of child care services, without creating one more unit of service. That is another example that this government does not look at value for the moneys that are being spent.

I suppose the biggest indictment against this government is the Minister of Northern Development and Mines, who is now able to get away with calling someone else a liar and not even apologize for it. Her apology will only be acceptable when she resigns.

The Deputy Speaker: Thank you. The member for Sault Ste Marie.

Mr Cousens: On a point of order, Mr Speaker: I think the point is that I said the minister called someone a liar. I am sorry. That is really not the case. The minister in fact has admitted to telling a lie. That is the issue that is of great concern; she did not call someone else a liar. We in fact have been hearing it the other way around; it pertains to her being called just that.

The Deputy Speaker: Thank you. Your point is made. The member for Sault Ste Marie has the floor.

Mr Martin: It gives me great pleasure to rise in this House this evening and comment briefly on the concurrences that are in front of us and speak for a few minutes on the tremendous record of this government in its short term in office to date, contrary to the comments of some of the members opposite, who are digging deep and reaching a tremendous distance to try to find reason to put blame on our government for a lot of what is happening to people across the world because of a tremendous recession.

I need to tell members that I have been working for the past 15 years of my life, particularly in northern Ontario, with some of the most disadvantaged people in our communities. During the reign of the Progressive Conservative government in the early 1980s, I had the privilege of working with some community workers in Sault Ste Marie to develop a soup kitchen in response to the difficult times of that date.

Then in the time of the Liberal government, particularly in the early days when the agreement with the New Democratic Party of the day was in place, I was rather heartened by some of the new legislation coming down and by some of the new initiatives that were put in place that actually began to reflect a concern on the part of the government of that day for the difficult times of many of the people I ate with, had coffee with, visited in homes with, that there might be some relief on the horizon. That soon dissipated as the previous government grew in arrogance and pomposity, began to renege on some of the things it initially said it would do and then went into a period of drift.

Since we came to office a year and a half ago, we have consulted with the people of the province in ways they have never been consulted with before. We have co-operated with people in the communities of our province, both in southern and northern Ontario, in ways they have never been co-operated with before. We have put in place a number of initiatives I am particularly proud of to reflect the concern this government has for those who are most vulnerable in our communities.

There are initiatives of the Ministry of the Attorney General for families who find themselves in a situation of poverty because of a breakup. Through consultation and negotiation with the opposition, we have come up with a package that will ensure that the children of this province who were going without will no longer have to do that. It will be guaranteed that they will get that which they were promised by the last government but actually never got: enough money to put bread on the table, enough money so their parents can pay the rent and put clothing on their backs.

There are the initiatives of the Ministry of Housing, first under the capable leadership of the member for Windsor-Riverside and now under the capable leadership of the member for Ottawa Centre. We will no longer experience the kind of increase in rent that happened in the mid to late 1980s in many of our communities, which forced people by the hundreds out on the street. In those days I was fortunate enough to be able to travel a bit in this province. I came from northern Ontario to the south and was appalled by what was happening, the number of people sleeping on sidewalks, the number of people lying on grates in the winter, under piles of snow, with steam rising from their bodies.

In the short period of time we have been here, after a difficult negotiating process with the opposition, after having heard from the people of the province and actually sitting down with the landlords and tenants in communities, we have come up with a package we think will guarantee for some time that those who are in need of housing will ultimately get a roof over their heads and have a place they can call home.

This is a small but not insignificant indication of the kind of program we will put in place in time in many parts of Ontario which speaks to those things that many of us who have worked most of our lives now take for granted: security of employment and, with that, a wage that speaks to being able to take advantage of some of the good things that are available in life.

Not long after taking on the reins of the ministry, my colleague, neighbour and good friend the Minister of Natural Resources decided that an injustice which had been perpetrated on many of the families who live and work in northern Ontario should be ended. That injustice was the fact that so many of the folks who worked in Natural Resources, actually very hard and often in inclement weather and difficult times, always worked on contract. In fact, some of them went through their whole careers on a contract basis. They would be on for three months, off for three months and then on again for three months, without ever knowing for certain if there would be a job for them come next season.

The present Minister of Natural Resources, with one stroke of a pen, after having consulted again with the people who work for him in that ministry, found the resources the previous governments were never able to find to make those temporary contract positions permanent positions so that more people in the north of this country, who work so hard, as I said before, in sometimes challenging conditions, could now have a job upon which they could count and which would pay them that which they require to look after their families and feel secure about their future and make some plans.

2000

Last but not least in my comments this evening on the concurrences that are in front of us, I would like to speak about that which the Ministry of Northern Development has done for my community and indeed many of the numerous communities that populate that part of this province I live in, which is northern Ontario.

Previous ministries of northern development were satisfied to simply have a presence up in that part of the province. As a matter of fact, the Ministry of Northern Development was initially put in place to counteract the good work that was being done by the many elected New Democratic members in northern Ontario. When I was a young man living in Wawa, there was a time when I thought the government of Ontario was a New Democratic government because there were so many members of the Legislature from northern Ontario who were of that persuasion. The Conservative government of the day, seeing the impact those members were having and the work they were doing with the people who work and live up there, decided it had best put an arm of government into that part of the province.

In fact, it was simply an information bureau, a place where people could drop in and get forms filled out and assistance of that nature. There was never any in-depth industrial development done or talk about the economy or ways of changing the system, so people went for ever having to go places, cap in hand or on bended knee, to ask for that which they needed to feed their families.

Indeed, it continued like that until the previous Liberal government came into being, and as I said before, it showed some promise. Many of us who were working very hard in the communities of northern Ontario to stimulate new economic opportunities thought that through the able leadership of then Minister of Northern Development René Fontaine we were going to get some change and that things were going to be different. He established the

Northern Ontario Development Corp and the groups that operated around that initiative. He actually tried to plant an idea that was working and successful in Quebec in northern Ontario so that we might have a future up there and develop things. But as luck would have it, his colleagues in cabinet did not agree or share his vision and did not support him in those initiatives, so they failed. He, in great disappointment, I believe, left the cabinet and the government and we were never able to pick up the momentum he had generated for the time he was there.

A lot was left for the present Minister of Northern Development to do and she responded with great generosity of time and energy and has been able to do more in the north in the last year and a half than I can remember being done there in the 10 or 15 years I worked there as a professional. The names of communities I could list that she has had a hand in helping are litany, particularly over the last year as the economy struck northern Ontario and closed or had the potential to close many of the small communities that were dependent on one industry. With her able staff and the support of her colleagues in cabinet and this government, she went in and did things that we thought were not possible.

As a matter of fact, an example of that is what happened in Kapuskasing. I personally was involved in attempting to get some of the people of northern Ontario and some of the power brokers in northern Ontario to look at the idea of worker ownership and worker co-ops in that part of Ontario as an answer to some of the problems we were having and was not able to. I ran into brick walls every time I tried to do anything.

Again, in a very short period of time, in some very difficult circumstances, the present Minister of Northern Development, with the assistance and support of the Premier, came up with an answer to a community virtually on the brink of closing down, because the people who owned the capital that kept that one industry it had grown to depend on going were about to pull it out and move it someplace else. This government, under the leadership of the present Minister of Northern Development, moved in there and saved the day and saved the jobs of the people who worked in that plant and the three-to-one other service jobs dependent on that.

Elliot Lake is a perfect example of the kind of leadership the Minister of Northern Development has shown and continues to show in northern Ontario. She was able to pull together the resources of many sources, many ministries, to respond to a community on the brink of disaster and to provide it with the five to seven years it needs to put in place a plan that speaks to a future for that community. I dare say members will be hard put to find anybody in that community, having gone through that difficult period of not knowing, who is not thankful in some way to this government and that minister for the great work done there.

As a matter of fact, we have committed more resources to that community in the next few years to help it create an economy that will sustain itself than were promised in the election of 1990 by this party. The \$200 million we said we would spend in all of northern Ontario we have been able to come up with from various sources to stimulate the

economy of Elliot Lake. I think that is something we, and certainly the Minister of Northern Development, can be proud of.

Sault Ste Marie, my own community, is another community that is very thankful to the Minister of Northern Development. We are also a community very dependent on one industry and a community struck by the decision of the large entity that owned Algoma Steel to virtually write it off. Through the leadership of this government, our Premier, the Minister of Northern Development and the Minister of Industry, Trade and Technology, we now have the major partners sitting down around a table talking about the possibility of the workers of that plant buying into some ownership of it so that we can, at the end of the day, have a company that is poised to take advantage of the opportunities that will be there once this recession is over and recovery is at hand.

I am proud to say I am part of a government that is committed to that kind of activity and actually was willing to take leadership from the beginning, to give impetus and meet with people, and continues to do so as the difficult decisions continue to be made around this particular issue. As I said when I started, I am very proud of the initiatives of this government to date in front of a very devastating economy and a recession that has gripped the world, indeed in front of an industrial restructuring of North America.

This government has done things that speak to a commitment to people at a time when that is difficult to do, to an investment in people at a time when other governments have said we should not be doing that, to a concern about those who are presently unemployed at a time when the federal government in particular would prefer to perhaps just leave them unemployed.

This government, the ministers in it and those of us who form the caucus are committed to making sure that all the people in this province are able to keep their heads above water so that when the recession is over and a recovery is upon us, they are in a position to take advantage of that which will be there and all those people who live and work in Ontario will participate in the good times we know are ahead.

I thank members very much for this time and I now bow to whoever will speak next.

2010

Mrs Fawcett: I too am very pleased to speak on concurrence in supply, in particular citing the agricultural and rural segment of our province. We all know the continuing extreme pressures there are on agriculture and on the agriculture industry. I think everyone has heard and knows, yet it bears repeating, that agriculture plays such an important role in the local economy of rural communities across the province.

It is also very important to remember that Ontario is Canada's largest agricultural province, generating approximately \$5.8 billion at the farm gate and over \$17 billion in total sales of agricultural products and contributing over \$1.6 billion to Ontario's exports. We have to really look carefully at this segment of Ontario's economy.

There are 130,000 to 150,000 people who work on 72,700 Ontario farms, with the total industry responsible

directly or indirectly for one in five jobs across Ontario. The agricultural industry, as has been said, is second in size only to the auto industry. With the recent events in the auto industry, one wonders if it might even surge ahead to number one in Ontario.

The farming industry has gone through really tough times for the past decade. We have no regrets over the 60% increase in the budget for the Ministry of Agriculture and Food that occurred under our government, the Liberal government, because we understood that we must have our farm community viable and we were working very, very consciously and carefully towards making the farm economy a viable one.

Thousands of people work in that industry or in related industries. They love their work. They want to do that work. They do not want to become real estate brokers or whatever. They want to farm, but they have to be able to make some kind of living while they are doing it. They deserve as much of an acceptable lifestyle as any of us.

We have seen there is such an income crunch—I think farmers are calling it the income crunch of 1991—with prices falling and depressed prices all over. It does not seem to matter which segment, especially in the oilseeds and grain seeds part and even our vegetable and fruit farmers. They are really hurting. I think we have to realize that they need some long-range help, not just money thrown at them.

Certainly under our government, the previous Liberal government, discussions began between the federal government and the provinces to design new long-range support programs for the agricultural industry, to replace the past agricultural stabilization act and through discussions between farm groups, the provincial government and federal government, the terms of the gross revenue insurance plan as we know it were finalized last year and the program was introduced this year.

Unfortunately though, there was never any coverage for the 1990 crop. The previous special assistance covered the 1989 crop and GRIP was designed to cover the 1991 crop, so farmers facing low prices this summer and selling the remainder of last year's crop were hit with a double shock of low prices and a gap until next year's GRIP assistance takes effect. As they finished selling their 1990 crop at below-cost prices, the bills for the 1991 crop costs were starting to fall past due, so once again our farmers were in a real crunch.

The federal and provincial governments have moved to provide interim payments this fall under GRIP, and while this is really welcomed by the farmers, this decision simply allows farmers to pay last year's bills with next year's stabilization cheque. Somewhere this all catches up, and once again the farmers are left really wondering what is going to happen to them.

The NDP had been unwilling to provide funding for this year's net income stabilization account, which is another program which was to help farmers. It meant not only a loss of provincial assistance but also a lower level of federal assistance under the terms of federal enhancements announced to the program last spring.

We were certainly very happy they did finally come through with their part of NISA, but it was a little late so our farmers missed out on 50% payments from the federal

government which they really need, especially if they are going to think about next year's crops. They cannot just wait and all of a sudden have this money come in any old time, because crops have to be planted at a certain time. They must order all the seeds and so on that are necessary for the crop a half a year earlier, so it really puts them in a bind when they cannot get this money flowing when they really need it.

Of course in my riding there are many farmers in the fruit and vegetable industry. They count on the money flowing so that they can get their crops in, and we have associated industries with that, food-processing industries that really employ a lot of other people in the riding. They too then suffer.

The livestock industry and the fruit and vegetable sectors are also really depressed, so we must continue to press this government to live up to its promises and provide the farmers with the wherewithal so they can continue.

Last spring, the government announced its \$50-million, one-year program for farm interest rate assistance, but its long-term farm financing proposals contained in the Hayes report recommended putting the burden of the farm finance on the shoulders of the rural communities themselves. It just seems strange that this government seems to think it can ignore its election promise of \$100 million to support long-term lending by asking retired farmers to invest their savings instead.

Certainly in the Agenda for People the NDP promised that \$100 million would be made available for low-interest loans for farmers, yet now there does not seem to be mention of that \$100-million election promise in all the options that were discussed in that report. The long-term proposals in the report all involve government guarantees on private funds as opposed to direct government funding as promised in the election. The use of guarantees is not a bad idea in itself, but it is a bad idea by itself. Guarantees on private funds are really no replacement for direct assistance either through interest rebates or direct loans.

2020

Certainly we are aware of the GATT talks, which are making farmers very nervous. The trade issues continue to force pressures and instability in Ontario's agriculture industry. Certainly this present round of GATT negotiations is the focus for most of the current trade uncertainties. Supply-managed commodities are threatened by the discussion over article XI of GATT, which is the provision governing regulated marketing. Right now, according to today's Toronto Star, there does not seem to be much hope for the supply management system, which is working for that segment of our agricultural industry, namely, the dairy and feather producers. They are in a really nervous condition right now, because they really fear for their livelihood.

We must do something. Our minister, I hope, is really putting pressure and representing and making sure our federal minister represents Ontario's concerns. The finalization of these GATT talks will be the largest economic issue facing agriculture in these next few years, so it is not to be treated lightly by any chance. Compared to other provinces, Ontario is heavily dependent on the stability of regulated marketing plans.

Certainly the farmers are very concerned about the environment. They are genuinely concerned about the environment and they have always been and tried to be very good keepers of our environment, but they are concerned about some of the issues this government is bringing forward. I think environmental pressures, including soil erosion and degradation, rural water pollution, consumer concerns over pesticide use, consumer concerns on the use of animal medications and farmers' growing concerns about their own exposure to pesticides and herbicides are certainly an emerging issue facing Ontario farmers.

The NDP has indicated it will move on a number of environmental initiatives which will affect agriculture, including this environmental bill of rights and new regulations on pesticide and chemical use, but the NDP really needs to consult with the farmers, who are right there first hand and have the knowledge of what does and does not work, and they feel they are being shut out of the consultation process. I hope the government will consider having some of the farm groups represented on its new laws and regulations concerning the environment.

Farmers are aware of the importance of the environment; they have always been. They have a long and proud tradition as stewards of the land. Farmers have taken up a number of initiatives to help protect the environment.

Under the Liberal government, the Ontario Soil and Crop Improvement Association administered the provincially funded land stewardship program, which was an excellent program. Farmers liked it, because it was a program they administered—there again, the grass roots doing what they know how to do best.

A number of farm groups asked the government to move towards licensing all pesticide users, and a new group called AGCare had been initiated by existing farm groups to promote environmental issues and to work with government on effective solutions. Farmers are as concerned about the environment as anyone else, but they want to work with this government in an open, consultative process to find the answers.

They are demanding action. Farmers and farm organizations have a long list of concerns and requests for funding and program changes. The following represent key current demands for government action from different farm groups.

The government needs to ensure that existing and new financial programs are tailored to farmers' needs and have enough funding to ensure our family farm remains viable and will continue to be viable. This means working with farm leaders to enhance, reform and develop new and existing stabilization programs ensuring crop insurance provides adequate coverage at reasonable rates and providing credit assistance to meet farmers' long- and short-term financing needs.

Ontario needs to participate in the GATT discussions and the US-Mexico free trade talks to ensure that important legislative supports to marketing programs are not traded away. Trading away marketing boards is like trading away our family farms. At the same time, Ontario needs to work with producers and processors to ensure that our food industry is competitive with other countries.

We have to train our farmers to be effective financial managers and marketers, as well as educating them on new technology which will help them improve their efficiency and productivity. Competitiveness also depends on quality and diversity. We have to help our farmers expand into new value-added products to provide alternatives to traditional crop and livestock operations. All these initiatives will help.

The family farm depends on some off-farm income to support its farming operations now, so we need these initiatives to include developing tourism opportunities, compatible lightweight industries and food processing in rural communities. It is inevitable that rural communities will need to replace traditional farm service operations with other businesses if they want to maintain and retain their economic viability. Rural communities are looking to the Ontario government for help in planning the development of rural Ontario, the same way the government is planning the development of the greater Toronto area.

Mr Hayes: I know I jumped out of turn, but I thought I should address some of the concerns the member for Northumberland has raised dealing with agriculture. I am a little disappointed, but at the same time I think maybe she does not really understand what we are planning to do to assist farmers in this province.

As the member mentioned, we had a task force and, rightfully so, we dealt with the short term. The short term was our farm interest assistance program, which was a very successful program to the tune of \$50 million. As a matter of fact, that program was so successful we added another \$11 million to it. The member for Northumberland mentioned that we have to put more financing into agriculture. This is a thing farmers have mentioned for a long time. I think we have tried to address the immediate needs with the finances we have.

I am glad some the member raised some of the points she did, and I am glad she agreed with some of them. We talk about education, for example. We have to educate not only the farmers, helping them to do some of their managing, financing and marketing—these are the kinds of things we are looking at in the Ministry of Agriculture and Food; that is long term—but we also have to educate the consumer.

I was at the Canadian National Exhibition a while back and I took a tour. They had mini-farms there. I might have mentioned this before, but I think it is important for people to know the cost of production and how much the farmer actually makes on the food that reaches our tables. When I was at the CNE, they had a miniature farm with hogs, cattle, sheep and chickens. It was a very good display. They showed the process of raising chickens, for example, or how you get milk. They had school tours and a lot of different people went through there. I stopped at each one of those and I said to the people who were putting them on, the various marketing boards and supply-management systems, that if they plan on doing that in the future, they should be putting the cost of production on those things to educate the public. That is one of the problems we have.

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There are a lot of factors that are really out of farmers' control. Actually, some of these things are out of our control

as a provincial government, because of some of the issues with free trade. I remember that the previous government swore up and down it would not go along and would do everything in its power to defeat free trade and probably take the federal government to court if it adversely affected agriculture. The other issue was the auto pact. Those things did happen. It is very unfortunate. The farmers have certainly been adversely affected. The European Community and the United States, with their subsidies, are certainly hurting our farmers and, for that matter, this country.

The problem we have had is that why does a country like ours have to sit back and let a couple of families, like the Chicago Board of Trade, for example, decide what Canadian farmers should get for their commodities and labour? That has always upset us. I know the Minister of Agriculture and Food went with the various farm organization leaders and actually worked to support the federal government and say, "Hey, we want you to continue to fight."

Hon Mrs Grier: Support the federal government?

Mr Hayes: Support the federal government in its efforts to keep article XI to protect our supply management system. It does look pretty shaky at this time, and I hope they do not give up. I think it is about time we had a national agricultural strategy in this country, because one of the big problems we have when we talk about free trade, for example, is that we do not have free trade between our provinces sometimes. I think the provinces have to get together to put some pressure on the federal government to start protecting the farmer, not only in Ontario but in Canada, and protect the family farm.

With regard to the environmental bill of rights, I remember when the Liberal government came up with the spills bill. We had all kinds of groups and individuals that hollered and screamed that it was really going to hurt the farmer and all these kinds of things. I will ask if anybody today can give me the number of farmers who have been charged under the spills bill. I do not know of any. Every time we put in a piece of legislation dealing with the environment, we have to take in all the factors in all the different sectors in our society. It is just as important, maybe more important, for farmers that we do protect the environment.

We are concerned about the farmer. We are concerned about our future generations. We are concerned that the soil is not degraded and we have to do certain things to ensure things are done the proper way. It is just like with any legislation; there are a lot of people who say the government sticks its nose into too many things. But if everybody would work together for the environment, for example, we would not have to legislate to make those few people clean up their act. That is very important for us. It is unfortunate that we have to legislate because some people do not want to go by the rules.

The member talked about subsidies, but the intent of this government in dealing with agriculture is found in the word "self-help." When I did the tour across the province, these are the things farmers said to us. I had retired farmers approach me and say: "I would be glad to be able to invest to help my son or daughter or help the neighbouring farmer. I would even be glad lend them money at a lower

interest rate if"—there were things mentioned like the guarantees, whether we could do something about possibly exempting them from paying income tax for that smaller percentage, things like that. These are the kinds of ideas we are throwing out.

I was very pleased on November 6 when we had the various farm organizations meeting in one room to deal with the long-term financial planning for agriculture in Ontario. It was very important to know and it made me feel good that we could have the Ontario Federation of Agriculture, the National Farmers' Union, the Christian Farmers' Federation of Ontario, the Ontario Farm Women's Network, the francophone farmers, people from the credit union—I hope I do not miss too many—Catholic Rural Life. We had all these people in the same room sitting down, two members from each of those organizations. The commodity groups were also represented.

I thought that was very good, and the one commitment I made to them—the minister has supported me on this—was that we will continually ask for their input, not only to get their ideas but also to assist this government in working out the mechanics of how to put the proper programs together that affect those people. We do not need just the politician or the bureaucrat making these decisions; we want input from the farming community, especially to protect the family farm in this province and this country.

Mr Bisson: It is an interesting time we have had here this afternoon. We have listened to a number of people from all three parties speak about various issues touching various ministries from the Ministry of Labour to the Ministry of Energy.

I would like to start with the comments of the member for Northumberland, who gave, I thought, a very interesting speech. My colleague from this side of the House made some comments on it. I think she is right that a lot of things within the farming industry are happening today. Not all of them are done entirely in Canada. To a certain extent some of them were done because of the GATT, because of a number of things happening in the marketplace of the industry that produces the food we take so much for granted every day when we sit down to a meal.

What is happening is quite scary. Like most other people in this province, I often take for granted when I buy something that things are as well as they should be. A lot of people are not aware that recently the American government put in a challenge under article XI of GATT, charging that Ontario, and I think Canada as a whole, have unfair subsidies within our agricultural industry. If that particular challenge is accepted, it would put in jeopardy the whole existence of the farm community in Ontario and across Canada. Basically it would dismantle all our marketing boards. Without those marketing boards, the farmers who sell their goods in the dairy sector, chicken, eggs, all of that, would be—I have no other way of saying it—under siege, not able to sell.

I was talking to a member of the opposition a couple of days ago about what is happening with a local dairy in his riding. After a meeting with that dairy, he was saying it was looking forward to the time when it would be able to

import milk from the United States into Ontario, at the demise of our milk producers here in the province.

Ms Haeck: No more family farms.

Mr Bisson: No family farms. It is really scary stuff. I think it denotes what has been happening within our economy overall for the past five to 10 years. We are now seeing a number of things happen that challenge the very way we do business within Canada and Ontario. Decisions made at GATT and under the free trade agreement, a number of them, have really put in jeopardy our whole industrial cornerstone of the economy today.

2040

One of the members from the Conservative Party talked a little while ago about the whole question of people willing to invest within Ontario or in Canada. It is scary when we look at the indicators, because what is happening by and large is that capital now has the ability to move across borders in a fairly unrestricted way. The effect of that is that as local governments, provincial governments or federal governments, we increasingly have less and less say in what happens within our own economies because of how the rules have been changed over the years. We can sit here and point our fingers at a number of things, but that really does not accomplish anything. I think most people know what has happened. It really poses an interesting challenge.

On utilise le mot «défi». Ça nous donne vraiment un défi ayant affaire avec ce dont on se trouve capable pour remédier aux situations dans notre économie. Ce qui arrive c'est qu'on se trouve dans une situation où les gouvernements de plus en plus ont besoin d'aller rechercher de nouveaux partenaires dans notre économie pour trouver des solutions et pour être capable de trouver des moyens pour arranger les problèmes.

Notre député de Sault-Sainte-Marie a parlé juste avant moi à un de mes collègues de ce qui est arrivé avec le ministre du Développement du Nord et des Mines sur la prochaine année sous la direction de notre député de Sudbury-Est, notre ministre, ayant affaire avec certaines solutions qui ont été trouvées à des situations très difficiles.

On a vu, par exemple, la situation qui est arrivée à Kapuskasing juste dernièrement où une compagnie a décidé, pour une raison juste ou injuste — c'est vraiment l'histoire qui va dire c'était quoi l'histoire — qu'elle ne voulait plus faire d'affaires à Kapuskasing. Ils ont dit : «Nous comme compagnie américaine on trouve que le marché du papier n'est pas un bon marché.» Ils sont partis et ils ont décidé qu'ils étaient pour retirer leur capital de l'entreprise et pour partir aux États-Unis.

Il y a certaines personnes à l'Assemblée ou certaines personnes dans notre économie qui essaient de mettre le blâme sur le gouvernement du jour : «On a un gouvernement socialiste en Ontario et c'est pour ces raisons-là que tout le monde veut partir.» Ce n'est pas vraiment parce qu'un gouvernement est socialiste ; je pense que c'est plutôt qu'on se retrouve dans une situation où les règles qui gèrent notre économie ont beaucoup changé.

The decision on the part of the government, under the leadership of the member for Sudbury East and others, was that we had to try to find new solutions to those problems.

We had to try to find a way to keep local dollars within the community and keep that industry in place. After all, we are talking about a whole community, a community in northern Ontario whose main employer is Kimberly-Clark, the paper mill in Kapuskasing. If the fait accompli had been put in place, thousands of workers would have lost their jobs, not just the 1,000 workers within Kapuskasing itself at Kimberly-Clark but also people who work in the service sector feeding that particular industry and the retail sector that relies on the paycheques derived from that industry. The whole local economy would have taken a really bad downturn.

What kinds of solutions were we able to find? We were able to bring together an interesting partnership. It was a partnership of the government, the private sector under Tembec and the employees of Kimberly-Clark and the community in general in the whole area. They came together to find some local solutions. Obviously, one of the difficulties today is that no government, federal or provincial, has the amount of money necessary to bail out every company in trouble in the province or in the country overall. We have to find other ways to pull together money and put the capital in place to save that company in the long run.

Under the leadership of, yes, the socialist government in Ontario, we have a different way of doing things. We brought together those partners. The workers themselves raised \$15 million—quite an amazing feat; I really have to take my hat off to the people of Kapuskasing—more than their share of the money that was necessary in order to safeguard that industry. The private sector came on side under Tembec, which was interested in picking up that particular mill because it was a good deal. They make a quality product in northern Ontario; they have access to some of the best wood fibre in the world when it comes to making quality newsprint. They came together under the leadership of the government and others to save that particular company.

In the end, it did mean there were job losses. They were not able to pull together a deal in such a way that every worker who worked for Kimberly-Clark saved his job, but the majority were able to hold on to their jobs, and for that we are thankful. It is because of the people coming together, the co-operative model of bringing people together, of working together on a common problem, that it was able to be solved.

Look at other examples in northern Ontario. There was a situation in Elliot Lake with particular mines there. Both the uranium producers in that area decided it was no longer viable to do business. In fact, it was costing Ontario Hydro seven times the market price for uranium coming out of Elliot Lake, which meant those mines either had to be subsidized directly by Ontario Hydro at seven times the current market rate or that Ontario Hydro would find another place to source its contracts.

Some people would have said, "It'd be really nice to source 100% of the contracts through Ontario Hydro, to be able to safeguard all of those jobs in Elliot Lake," but I think the members from the Conservative Party and the Liberal Party will agree that in a business deal you have to make sure there is some basis to it that would make sense

economically to survive. Again, we found a different approach to solving the problem. Rather than the government coming in and subsidizing directly the whole situation in Elliot Lake, we said, "Let the people who set up that situation in the first place ultimately be responsible." Yes, we went to Ontario Hydro.

I listened with intent when one of the members from our side—I have forgotten his riding—got up to speak about the whole question of Ontario Hydro. They said, "You found money from somewhere else." Sure we did. Ontario Hydro was responsible for the situation. They are the people who went to Elliot Lake in years past and said, "We want to buy uranium from Elliot Lake; therefore, we want you to build a community and we want you to build an infrastructure in order to be able to buy the uranium that is needed for the nuclear reactors."

As early as, I would say, the mid-1970s or the mid-1980s, Ontario Hydro went back to Elliot Lake and said again, "Rebuild your community." They built a whole new town site, just as you are coming into Elliot Lake; you cannot miss it. Hundreds of brand-new homes were built in Elliot Lake, and those contracts never came forward. Ontario Hydro, like any other corporate citizen in the province, made a determination: "We can't pay seven times the world price for uranium. It doesn't make economic sense."

Some people would have us say, "Why don't you source it 100%?" I heard some of the members from the Liberal Party suggesting just that. They were in power for four or five years; they knew the situation was coming. As early as 1987, when I first started servicing, as a literacy co-ordinator, the members out in Elliot Lake of the United Steelworkers, the Ontario Federation of Labour, people were talking then to the Ontario government, asking it to source. They did not source because they understood there were problems in doing that.

We found another type of solution. We said, "You who are responsible for setting up this situation should bear some of the responsibility." So we went to Ontario Hydro and, with negotiations, we managed to put some money forward to give that community some transitional time to be able to move from where it was at the time to somewhere in the future. The Ministry of Northern Development, again under the leadership of the member for Sudbury East, put together some money through the heritage board and other means by which to give the community some money directly—

Mrs Sullivan: Ontario Hydro; totally outside its mandate.

Mr Bisson: I would argue that it is not totally outside of their mandate. I am being prompted by the opposition again, but that is quite fair because they do not believe in those kinds of solutions. What the Liberals and I think the Tories would want us to do is open up the coffers and say: "Let 'er rip. Spend all kinds of money. Increase the deficit. Bring it up nice and high, so that politically, in the next election, we can go out and say what bad managers you have been."

But we found another kind of solution. We said that Ontario Hydro is responsible and will bear some of that

responsibility. The Ministry of Northern Development put some money forward, and other ministries of the crown did the same thing, in an attempt to give the community some time for transition.

I note with interest that just this last weekend that particular community—dealing particularly with this—has started to lobby to get the French community college, if established in northern Ontario, in its community. Because of the things we were able to do to put the community in the position of having a few dollars, it is putting together a very effective lobby and a very effective argument why it would make sense to build a French community college in Elliot Lake. It goes to show that when you go out and find new partners and pull those partners together and say, "Try to find some solutions locally," a lot can happen.

We see now what is happening in Sault Ste Marie with Algoma Steel. The whole story of what has happened at Algoma Steel, where they were and how they have ended up, is a story I am not going to get into, but it comes down to the same thing. The solution is being found how? Co-operation between the local unions there, the United Steelworkers of America, with Algoma Steel itself, the municipality of Sault Ste Marie, the provincial government and the federal government; they are coming together to find a solution. It is a very tough situation. That company is deeply in debt. It is having extremely difficult times in the current economic conditions, but I have some hope. I have hope because people are coming together in partnership to find some solutions.

Je ne pense pas que ce soit une méchante idée d'essayer de rassembler le monde qui est affecté par une décision. Je pense aujourd'hui qu'on a besoin d'admettre que toutes les solutions ne sont pas seulement au niveau des gouvernements. Quand on a eu un problème dans notre communauté dans les années passées, ça a toujours été le même problème. Le citoyen de notre communauté, comme vous le savez comme député de votre circonscription pour beaucoup d'années, Monsieur le Président, va voir le député provincial ou fédéral et puis il dit : «On a un problème. Va me trouver une solution. C'est ta responsabilité. C'est moi qui t'ai élu et toi qui es mon représentant et puis trouve-moi une solution.»

Nous comme gouvernement socialiste on dit : «Ce n'est pas que nous avons toutes les réponses ; il faut travailler ensemble. Il faut essayer d'aller rechercher des idées ensemble pour être capable de trouver des solutions qui font du bon sang.» C'est très difficile des fois d'essayer de rassembler des personnes qui ont été des adversaires ayant affaire avec certaines questions, d'essayer de rassembler des fois les membres d'un secteur de travail dans une compagnie qui possiblement ont été en confrontation pour beaucoup d'années à travers de différentes situations.

La seule chance qu'on a c'est d'être capable de retrouver une situation et rassembler tout le monde possible pour trouver une solution. Je pense que ce n'est pas radical ; je pense que c'est la seule solution qu'on a devant nous aujourd'hui.

Le député de l'autre côté a dit tout à l'heure : «Vous avez un déficit ; vous n'avez pas besoin de l'aide pour mettre sur place un déficit.» Oui, c'est vrai, 9,7 milliards de dollars, mais la question qu'on a eue quand on a préparé le

budget de 1991-92 c'est qu'on se trouvait dans une situation où, si on ne faisait rien, si on ne faisait que garder les services qu'il y avait à l'époque, on aurait eu besoin de couper 8,4 milliards de dollars juste pour balancer le budget. En d'autres mots, parce qu'on a perdu les revenus des taxes et que les services ont monté, on se trouve dans une situation où ça aurait coûté 8,4 milliards de dollars d'une manière ou d'une autre, n'importe ce qu'on aurait fait. Si on dit comme gouvernement qu'il faut aller trouver des solutions avec la coopération de toute la citoyenneté ontarienne, on sera capable de trouver, possiblement, des manières à régler les problèmes.

Juste dernièrement le ministre responsable, Monsieur Wilson, a dit qu'on allait avoir un système où le monde aurait le droit de communiquer directement avec le gouvernement pour donner des solutions, possiblement, ou des suggestions pour couper les coûts du gouvernement. On sait tous que le gouvernement est un organisme qui est très grand et qui coûte beaucoup d'argent, et il y a du monde qui demande : «Y a-t-il une manière d'économiser des cents à la fin de la journée ? On veut avoir vos idées.»

2050

The question we have coming into the end of this budget year is going to be fairly interesting. As all members of this assembly will know, what is happening in Ontario is not something specific to our economy only. We are seeing a very large downturn in the North American economy, in the Canadian economy, because of a number of things that have happened.

We have not helped ourselves internally. Things such as the dismantling of the Foreign Investment Review Agency have greatly affected our ability to control investment within our own country. One of the first things that was done in 1984, when Mr Mulroney was elected, was to dismantle it. Now, capital comes in and out of this country virtually unchecked. Things such as deregulation were put in place that greatly affect our ability to deal with certain sectors of our economy. Now we have to try to find solutions around those barriers that have been put before us, such as the free trade agreement.

What we need to do is build on those examples we have seen that have been working, those in Kapuskasing, Atikokan, Sault Ste Marie, possibly, Elliot Lake, under the leadership of the Minister of Northern Development, I might say; by bringing people together and trying to find solutions not just from the business sector—it does not have all the answers—but also the workers, the communities, mayors, councils, all those people, pulling them together and collectively trying to find solutions.

What I find extremely difficult to digest in this Legislature at times is some of the comments made by members from the opposition. They, especially our Conservative members, seem to take the view that the only people who have solutions to give in this economy are people from the business sector. Sure they have solutions. They have been in business for many years. They have contributed greatly to the economy of Ontario and of Canada, but they are not the only ones who have solutions. I meet with business people every day in my riding, when I am there, the same as any member. They know what the problem is: lack of

capital. That is one of the big problems they are having. They are not able to access money. My father, when he went into business some 20 or 30 years ago, walked in to a friendly banker with \$20 in his pocket and a great idea and made a living from it. Nowadays you need a little more than that to make it, because it is extremely difficult to find capital.

On this side of the House we say yes, the business sector can give solutions, but not only the business sector. We must involve the workers, we must involve the general population in trying to find solutions to very tough problems.

Members on the other side like to egg us on; if they will notice, I used the word "socialist" in my speech at least four or five times. They try to use the word "socialist" in a very negative way. The members from across the House—

Interjections.

Mr Bisson: Here we go, Mr Speaker. The members from across the House will yell, as they are doing right now, that socialism is a bad thing.

The Deputy Speaker: Order.

Mr Bisson: We woke them up, I notice.

I say this in closing: If being a socialist means I care about my community, if being a socialist means I care about equity, if "socialist" means ways of bringing people together to find common solutions, I call myself a socialist with great pride.

Mr Micalash: It gives me great pleasure to rise and speak on the concurrence in supply. From my perspective, of course, I am going to talk about northern Ontario and the Ministry of Northern Development and Mines.

I might begin by saying that a little over a year ago the people of the north were really looking forward to seeing what six northern cabinet ministers were going to do for the north in terms of an NDP government, in terms of the NDP cabinet. We must say these ministers have taken reasonably high profiles in terms of their government.

We have the Minister of Transportation, and people will know how important that is to us throughout the north in terms of our highway conditions and in terms of getting those upgraded to a point where we are going to need some help; the Minister of Revenue, who is taking a look at raising a good number of taxes and not really paying particular attention to what those taxes are doing to us in the north; of course, the Minister of Northern Development and Mines herself, another fairly high-profile person in cabinet, one we looked forward to seeing do a number of things for us throughout the north. There is the Treasurer, another very influential person; he sits right beside the Premier in cabinet and in the House.

We were expecting a lot from this government. If we go back to that election, the headlines read, "NDP government, six cabinet ministers"—my God, the north is going to be represented. That has not happened. All we have to do is take a look at what has happened over the past year and so many months and take a look at what has not happened, even though billions of dollars come out of the north in terms of tax revenues, and the Minister of Revenue from Thunder Bay will know that. She will know how much is contributed to this entire province through tax

revenues from our natural resources and our industries in the north, but very little coming back.

We have a government today that is looking at very short-term plans. They seem to like to get the issues settled, out of the way. Political expedience is what somebody else may term it, but I call it short-term planning because I do not really feel that this government has a plan to take us into the 21st century. There does not seem to be anything in the long term, anything to move our industries forward, to ensure they are going to be around in the long term.

2100

When I speak of our resource industries, I am speaking mainly of our forestry industry, including our sawmills and our paper mills. In Kenora we are just going through a plant shutdown which has put a good majority of our workforce out of work for a month around the Christmas season. As well, we can look at a good number of mine closures taking place across the north. Here are some statistics: Over the past two years, we have had a significant winding down of both the iron ore and the uranium sectors in the north. In the forestry sector alone, which I spoke of earlier in terms of paper mills and sawmills, there have been 2,700 people laid off in the past two years. In the mining sector, 4,000 people have been laid off because of slowdowns and cutbacks.

Mr Speaker, I cannot tell you the implications this has for northerners across the board, not only in those two sectors directly involved, but the spinoff effects are something else. Here are some figures to indicate that:

Unemployment in northern Ontario: October 1991, it was 10.2%, the highest across the province. Since October 1990, it has risen in that one year from 7.4% to 10.2%. I just cannot speak of the effects it has across the north.

Welfare case load: August 1990, 12,361 cases; August 1991, 17,299 cases; a significant increase of more than 5,000 people who have actually had to revert to welfare.

Closure of mines: Nine mines closed in northern Ontario over the past year.

Bankruptcies: 801 business and personal bankruptcies in northern Ontario in 1990. The former speaker said we do not need small business, that the world does not revolve around small business. I suggest to him that when we have this number of bankruptcies in northern Ontario alone, there will be the effects we are seeing and feeling in northern Ontario.

A little closer to myself, being the critic for the Ministry of Mines, the total number of prospector licences issued and renewed at the end of October 1991 was only 4,346, compared to a total of 5,071 in 1990. There we have a drop of a little more than 700 prospector licences issued, again showing the downturn in the mining industry.

Something else that is near and dear to my heart is the number of young people who are actually leaving the north. Outmigration is what we call it in the north. According to Canadian census data, northern Ontario lost 25,000 young people to permanent migration in a five-year span between 1981 and 1986. I cannot say enough about how this government is going to have to take a close look at what is happening to those young people. Why are they leaving the north? Why are they leaving a healthy lifestyle and outmigrating

in such numbers? That number represents some 15% of the northern youth population. One can hardly imagine what it would do to take 15% out of any population.

When we look for help from this government, what are we faced with? The most recent issue I spoke about was an increase in our fuel taxes of 30%, an increase that will have devastating effects on many of our resource industries, which, as I indicated, need the gasoline and fuel to operate in an efficient manner and remain competitive.

When it came to gasoline prices, the people of northern Ontario were hoping the government would see the light. We had the member for Sudbury East saying during the campaign, "Equalization of gas prices across northern Ontario." I remember it well. I thought, how are they going to do that? They are in government now and we are still waiting for that equalization of gas prices across northern Ontario. I hate to say we are paying 65 to 68 cents a litre in Red Lake for gasoline right now, something unheard of in southern Ontario. The member for Sudbury East said they were going to equalize these gasoline prices.

The member for Sudbury had another plan. She had a plan to come up with an energy commission. She remembers it well; I hear a little chuckle from her right now. She felt if Nova Scotia can have this plan, so can Ontario. I ask her tonight, where is it? We are still waiting in northern Ontario.

Gasoline prices have a further effect on a very important industry in the north, that being tourism. Earlier this week we talked a little about that, how the gasoline prices are not only keeping the tourists away from northern Ontario but are driving some of our northern Ontario people south of the border to participate in lower gas pricing in the states south of us. Another member and I actually came up with a parallel, where we are seeing people driving from northern Ontario to southern Ontario through the states paralleling the Trans-Canada Highway. He indicated the other day that they are not only doing that but are driving from southern Ontario into eastern Canada, again through the United States, looking for those cheaper gasoline prices.

A little more about tourism: When the operator is looking at a 30% increase in gasoline prices, an increase in his aviation transportation, his outboard motors, the vehicles needed for his operation in the north, the generators he needs to operate his outpost, there is a very devastating effect on that operator.

We heard about the four-laning of highways in the north too, and I know a lot of people who elected this government to power were looking forward to that. I have to say that to date I have seen very little movement in terms of the upgrading of our highway system, but when the people on the other side of the House were campaigning, we were going to see our major highways four-laned and we were going to see a lot of road improvement on secondary highways. In the last 14 or 15 months, we have seen nothing. What I am looking for and what I am going to challenge the Minister of Transportation to do—he is raising our gasoline taxes by 30%. That should mean he will raise his maintenance and upgrading of our transportation system by that same 30%. That is something I will be watching very carefully for, and I am sure my constituents, as well

as many constituents across the north, will be watching for it as well.

Another rise in costs for the northerner, for our industry and for people in general across the north, is the 44% rise in hydro rates we are looking at. As we know, the climatic conditions of the north are much more severe and we rely much more on hydro for our heating and lighting. As well, our industry relies so much on hydroelectric power as a tool. It was to be a development tool, not a tool where they would gain revenues. This government has taken a different attitude, and we see that happening.

I wrap up by saying that we have seen the cancelling of a very important development tool in northern Ontario. The minister recently made an announcement that our northern development councils will no longer exist. That has to have a devastating effect. These were northern development councils to tell the government what northerners need. Now we find them taken away from the north. It is something I just cannot speak about. Hopefully, we will see them replaced by a body which will work as effectively as they did for the people of the north.

Those are just a few points about how we in the north are suffering under the leadership of this government, which promised so much and has delivered very little.

2110

Mr Winninger: I would like to join in this debate. I remind the members that Ontario and Canada are indeed going through deep structural change. We are all aware that two thirds of the jobs that have been lost in the current recession are gone for ever. One million Ontarians are now relying on some form of social assistance. What we are experiencing is not just one wave of the business cycle; we are in new waters altogether. There are several reasons for this: the effects of the Canada-US free trade agreement, the continually high value of our dollar, the globalization of our economy and the intense, technologically based competition.

Some people want us to believe that Ontario is a place of high taxes, labour problems and a government that is unfriendly to business. That is not the Ontario I know. Let me list a few things about Ontario. It is growing at a faster rate than any other jurisdiction in the G-7 universe, projected at 3.8% per year for the next three years. Ontario's inflation rate, at 3.3%, is the lowest in Canada and in the last year Ontario has received 77% of all investment that came into Canada.

In Massachusetts a company would pay \$7.65 for employee social security; in Ontario a company would pay only \$2.20. In Michigan, a company would pay 8% of its payroll for health insurance, yet in Ontario a company on average would pay less than 2% of its payroll for health insurance. A dollar spent on research in the United States costs the company 97 cents, whereas a dollar spent on research in Ontario—

The Acting Speaker (Mr Villeneuve): Order, please. There is a great deal of noise. The honourable member for London South has the floor. It is time allocation and the time is limited. Please allow the member for London South the opportunity.

Mr Winninger: As I was saying before I was interrupted, a dollar spent on research in the United States costs the company 97 cents, whereas a dollar spent on research in Ontario costs the company only 64 cents. This is a profile of a very dynamic economy which, although it has been battered by recession, is poised to take a leading role on the world stage; it is an economy that has a fundamental soundness; it is a province with a stable, pragmatic and effective outlook for its future. That is the Ontario we can take forward to the world.

The Premier has just finished a visit to the United Kingdom, France and Germany aimed at strengthening Ontario's commercial links to Europe in 1992. He spoke with business and senior government leaders about trade and investment opportunities. He has participated in a promotional campaign of international tourism for the Great Lakes region. He has signed technology exchanges and linkage agreements with the Rhône-Alps region in France and the Baden-Württemberg region in Germany, two of the four engines of Europe. This trip, I suggest, illustrates an important point about the nature of the global economy and Ontario's place within it.

Renewing our economy is the central focus of the Ontario government. Ontario is in the midst of the worst recession since the Dirty Thirties. Ontario is growing at a faster rate than any jurisdiction, as I have mentioned, in the G-7. But these are tough times for all of us. That is true for government as well and not just because we are a relatively new government and people expect a lot of us. During our time today I can talk about the recession itself and perhaps what it means for this government and what we are doing to encourage economic renewal in Ontario.

While there are many similarities to past recessions, there are also critical differences. We came into government, as the members will recall, to discover that the budget surplus promised during the election by the Liberals was actually a \$2.5-billion deficit. Since then we have had to deal with the full impact of this recession. That has meant dealing with an unprecedented situation. Provincial revenues have actually fallen, as our Treasurer has observed, from one year to the next. During the last serious recession in the early 1980s government revenues still managed to rise by more than 8%. Many of the jobs that were regained after that recession are now being lost permanently.

The current recession, therefore, is quite different. Revenues are growing more slowly than before. Last year they actually went down by more than \$1 billion. This fall we have had to absorb an unexpected revenue loss of almost \$700 million due to recalculations by the federal government of how much it owes us for personal income tax collected on our behalf.

With a budget of more than \$50 billion a year and inflation running at roughly 5%, standing still and doing nothing now requires more than \$2 billion a year in additional revenue. Ontario lost more than 250,000 jobs in the first year of our recession, many of them permanently. When people's jobs disappear, welfare costs increase. This means extraordinary pressure on our spending commitments and it means making tough choices. It means doing more with less.

Some people say you can support either equity or efficiency. Either you talk the language of competitiveness, productivity and efficiency and follow policies which will produce that, or you talk the language of equality and of greater social justice and deal with that. The two, they say, are for ever in conflict. I tell the members across the House, those nattering nabobs of negativism, that this is simply not true. Wealth creation is crucial. Attracting investment, rewarding innovation, encouraging markets to work, entrepreneurship and creating profits—these are things which have to happen.

Interjections.

The Acting Speaker (Mr Villeneuve): The honourable member for London South has the floor and the Speaker has great difficulty in hearing.

Mr Winninger: Efficiency is the necessary condition of an effective policy of a fair and just society. Equity and efficiency are two sides of the same coin.

I will outline initiatives that our government has been working on during this legislative session, how we are meeting the challenge of rebuilding the economy and working towards greater fairness for people in their places of work and in their communities. These initiatives include research and development, the attraction of new investment, changes to the provisions of trading in Ontario, the establishment of greater co-operation between business and labour, employment equity and worker ownership.

Long-term commitments to research and development are essential in order for Ontario to move to a healthier, more productive economy. With this in mind, on November 5, as the members will recall, the Minister of Industry, Trade and Technology announced the government's commitment to the Industrial Research and Development Institute. Research and development is certainly the backbone of high value added industries which create those skilled, well-paying jobs. The new research centre, as the minister has noted, will serve as a national institute for applied research and development for the tooling and related industries. Tool, die and mold making is certainly the backbone of manufacturing in Ontario, and critical to the aerospace, plastics processing and other manufacturing industries. Some 80% of Canada's tooling industry is located in Ontario. The choice of Ontario as a home for the IRDI is therefore ideal.

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Until now, Canada has been the only leading industrial nation without an institute of this kind. The competitive position of our manufacturers will be strengthened. This centre is a bridge between industry and the academic community.

This is certainly an investment in our technological infrastructure and a step towards a revitalized economy. However, research and development is not enough. We must also attract new investment and expand confidence as an investment opportunity. Progress is already being made. According to Investment Canada, from March 1990 to March 1991, Ontario received \$11.9 billion worth of foreign investment. This is 77%, as I mentioned earlier, of all foreign investment in Canada during this period.

Another essential component of economic renewal is wage protection. When you work you expect to be paid,

and the Ontario government has now made this law. On October 15, as members will recall, the Minister of Labour moved third reading of Bill 70 to provide for the employee wage protection program. This program protects workers by helping them recover the unpaid wages they deserve. Current bankruptcy laws have placed workers last in line when it comes to lining up for credit in bankruptcy situations. The employee wage protection program, I submit, goes a long way to establishing co-operation in the workplace. Workers may be far more willing to go all out and contribute their special knowledge and expertise to improve productivity when they know they will have some measure of wage protection.

Another initiative designed to increase co-operation in the workplace is reform to the labour laws of Ontario. Our Minister of Labour announced earlier this month his proposed changes. After more than 40 years, collective bargaining has been at the centre of government policies, designed to support fair and progressive bargaining. The collective bargaining process, I submit, has been durable and successful because of its ability to respond to workplace concerns and issues in the context of a market economy. Collective bargaining enables government to leave the fashioning of terms and conditions of employment to the voluntary agreement of the workplace parties, thereby decreasing the need for direct government regulation and intervention.

Workplaces are also changing. The number of small workplaces is increasing. In 1990-91 more than half the bargaining units certified at the Ontario Labour Relations Board had 20 or fewer employees. Larger workplaces, formerly concentrated in core areas of cities and towns, are increasingly located in lower-cost suburban or rural areas.

These factors combine to make employees' attempts to organize particularly difficult and the Ontario Labour Relations Act is responding to these changes. The right to organize must be equally accessible to all employees and in particular the needs of women, minorities and other low-pay workers in vulnerable sectors of the economy.

Earlier this evening I heard on television a number of members opposite me in the House indicate that this government is spending its tax dollars unwisely. I say to the members across the House that this government is spending its tax dollars in a manner more responsive to the needs of Ontarians than has ever before been the case in Ontario.

Mr Phillips: I really had not planned to join the debate until I listened to the previous member. Because he actually sounded as if he believed it, I thought I should join the debate.

I am very worried about the economy and about the government's ability to get the economy rolling. Contrary to the member who just spoke, I am afraid the government does not have any plans to get the economy rolling. Most recently, just December 13, the Ministry of Labour issued its report on closures and layoffs. We can see that already this year we have in Ontario, as of the end of November, one, two, three, four pages of plants that have closed completely. Perhaps as troublesome to me are the pages that outline the plants that are going to close in the months ahead, plants that will close in December, January, February and March. Already we see 35 plants representing over 2,500 employees

that will close in the month of December. That has to be something of immense urgency, I would hope, to the government. Certainly it is to the members of the opposition.

The second thing I would say is that the unemployment statistics just came out, and here we see unemployment in the province of almost 500,000 people. That, I think we would acknowledge, understates the unemployment by perhaps another 100,000 people who have absolutely dropped out of the workplace.

As one looks at those two reports—the unemployment numbers, the layoffs and the closures of plants—one has to be immensely concerned. I say to the government, where is its plan?

I was, frankly, very disappointed in the Premier. On November 28 in the House, he said in response to a question, "I am sure the honourable member would agree with me that the Prime Minister could do a great deal for national unity by indicating that the kind of money he is putting into the province of Quebec he is also prepared to put into all the other regions and parts of Canada." That was in response to a program in Quebec that had been worked on by the federal government and the provincial government for literally years: a comprehensive industrial plan, an industrial strategy for the province.

I would say to the Premier that before he is critical of the federal government and the province of Quebec, we would like to see his plan for industrial restructuring for this province. Before he blasts the federal government for working with a province on an industrial restructuring plan, a comprehensive one—it may or may not work—I would hope that, as he is going to talk with the Prime Minister and the other premiers this week, he might give this House the courtesy of outlining his plan. Because he was very critical of the federal government for allocating those funds to Quebec, I would expect that on Thursday when he meets with the Prime Minister he would have his economic plan to lay out for the Prime Minister and the premiers of the provinces.

The member said this is the plan for economic renewal in the province. The components of that plan, the Labour Relations Act changes, I assure him, are going to do more to undermine the confidence and credibility and partnerships in this province over the next year than almost anything else. I have never seen the business community so united in terms of an issue as it is on this. Yes, there is a need for Labour Relations Act changes; there is no question of that. But what we are facing in the next year is an absolute crisis in terms of jobs and job creation, and what is going to happen? Without any doubt, there is going to be a major fight between the labour community and the business community just at the moment when we need both of those parties working as hard as they possibly can.

As I said here earlier in the House, we have a fire storm out there, and what happens? The government starts a fight between our two best firefighters. It is nonsense. We should be getting on with the real job of building the economy, so I felt I needed to speak.

2130

First, we have seen just within the last week the layoffs and the plant closures. December is going to be one of the

worst months in all of 1991. More than 2,500 people will be laid off and plants will be closed permanently. It was only a year and a half ago that Ontario had the best unemployment record in Canada. We are now fifth best. Manitoba, Saskatchewan, Alberta and British Columbia now all have lower unemployment rates than Ontario. It is almost unheard of. That is all in the period of 18 months. We see closures, the unemployment rate, and we see problems in that area.

What has to be done? I would say to the government that it is imperative that it gets on with its economic renewal plan. As I said, Quebec has a plan. They laid it out before the people of Quebec. They got the government of Canada co-operating and providing funds. I hope the Premier would have a similar plan available to get the Ontario economy rolling. He is meeting this week with the other premiers and the Prime Minister. This is of significant concern.

The reason I rose was that I heard the previous member suggesting he is satisfied with the plans of the government. I would say to him that as the unemployment rolls continue to grow, as a number of people get more and more desperate for jobs, we need some action from this government, not mere rhetoric.

The Acting Speaker (Mr Villeneuve): We will now deal with items 36 to 47. First, the Ministry of Labour. Shall these estimates be concurred in?

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

Mr Mancini: On a point of order, Mr Speaker: We could institute a similar type of system to what they use in the mother Parliament and the House of Commons if we could have it noted in the record that this motion carried with dissent.

The Acting Speaker (Mr Villeneuve): This Parliament has no provision for that. It could well be put to the committee.

Mr Mancini: If we have no provision for that, all we need to do is have the Chair recognize that it was asked to have the record show that it was carried with dissent.

The Acting Speaker (Mr Villeneuve): The honourable member has already done that. The estimates of the Ministry of Labour have now been concurred in.

We will now deal with the Ministry of Industry, Trade and Technology. Shall the concurrence in supply carry?

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Vote deferred.

The Acting Speaker (Mr Villeneuve): Is it the pleasure of the House that the Ministry of Housing concurrence in supply carry?

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Vote deferred.

The Acting Speaker (Mr Villeneuve): We will now deal with the Ministry of Transportation. Shall the concurrence in supply carry?

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Vote deferred.

The Acting Speaker (Mr Villeneuve): We will now deal with concurrence in supply for the Ministry of Skills Development.

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Vote deferred.

The Acting Speaker (Mr Villeneuve): We will now deal with concurrence in supply for the Ministry of Northern Development and Mines.

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Vote deferred.

The Acting Speaker (Mr Villeneuve): Shall the estimates of the Ministry of Natural Resources be carried?

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Vote deferred.

The Acting Speaker (Mr Villeneuve): Now we have concurrence in supply for the Ministry of Health.

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Vote deferred.

The Acting Speaker (Mr Villeneuve): We now have concurrence in supply for the office for the greater Toronto area.

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Vote deferred.

The Acting Speaker (Mr Villeneuve): Now we have concurrence in supply for the Ministry of Energy.

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Vote deferred.

The Acting Speaker (Mr Villeneuve): Dealing now with concurrence in supply for the Ministry of Agriculture and Food.

Those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Vote deferred.

The Acting Speaker (Mr Villeneuve): Finally, we are dealing with concurrence in supply for the Ministry of Financial Institutions.

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Vote deferred.

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The Acting Speaker (Mr Villeneuve): We will now have a 30-minute bell. Call in the members to deal with concurrences in supply.

The Acting Speaker (Mr Villeneuve) ordered the bells rung.

The Acting Speaker (Mr Villeneuve): Standing order 27(g) requests that the vote on concurrence in supply for the Ministry of Financial Institutions be deferred until immediately following routine proceedings, also deferring all other votes. It will therefore follow that the votes on all of these concurrences in supply will proceed on Tuesday, December 17, 1991, immediately following orders of the day. The votes are accordingly deferred.

Mr Eves: On a point of order, Mr Speaker: Does the whip not have to specify an exact time the vote will take place, not some suspended—

Mr Abel: "Following routine proceedings."

Mr Eves: That is not an exact time. What time is that? Is it 3:01, 3:02.5, 3:03? Give me the time.

The Acting Speaker (Mr Villeneuve): To the honourable House leader of the Progressive Conservative Party, this is not unusual. It is a routine proceeding.

Mr Eves: On a point of order, Mr Speaker: Can I then have my whip, the next time there is a deferred vote, put in a motion that says, "Until the fourth pink Cadillac goes by after routine proceedings, then we will have the vote"? Would that be in order, Mr Speaker?

The Acting Speaker (Mr Villeneuve): As the honourable member knows, that would not be in order. However, we do have, in this Legislature, routine proceedings. The timing is never accurate, as we know. Therefore the vote will occur following routine proceedings.

RETAIL SALES TAX AMENDMENT ACT, 1991

LOI DE 1991 MODIFIANT LA LOI SUR LA TAXE DE VENTE AU DÉTAIL

Resuming the adjourned debate on the motion for second reading of Bill 130, An Act to amend the Retail Sales Tax Act / Projet de loi 130, Loi modifiant la Loi sur la taxe de vente au détail.

The Acting Speaker (Mr Villeneuve): The honourable member for Etobicoke West was last debating, and he still has the floor.

[Applause]

Mr Stockwell: That is the best hand I have ever had, to begin my reading of the gasoline tax—

Mr Hayes: And then they all leave.

Mr Stockwell: That is the price of politics, I suppose. Why do we not take a brief moment and allow those who are leaving to leave?

I want to review a couple of the highlights of my last speech. Some will say there were no highlights, but I think I made a few points that were rather germane to this issue.

I do not want to lose the finer points—not to put too fine a point on this. I think I should review a few of the editorials we saw around this province when we were dealing with this issue, specifically last Thursday. I am sure some of the members across the floor will recall this, but for those members who are here today and were not here last time, they could talk to the member for Prince Edward-Lennox-South Hastings, who could probably review this material as well as I. But I will offer this bit of information.

What I started with last were some of the editorials being written around this province by some of the newspapers with respect to this, in essence, gas guzzler tax. I outlined my concerns about the gas guzzler tax being put forward in the guise of an environmental tax. I had some grave concerns about putting forward a tax that was, I think, less than honourable, in the guise of an environmental tax.

Mr Bradley: Are you talking about the tax on auto workers?

Mr Stockwell: That is the tax some have referred to as the tax on auto workers. The rationale is that it is taxing away potential car sales and subsequently, therefore, by taxing away potential car sales they cut into the number of auto workers needed to produce the cars. That is not a difficult concept to grasp.

I am glad to see the Speaker back in the chair; I feel much more at home now. Last Thursday, we spent a wonderful two hours on this and I think we could look forward to it again this day.

I recall the point that was made, I think rather succinctly, that by introducing this gas guzzler tax you are introducing a tax that will impact on the number of cars sold in Ontario. By introducing a tax like this, if you sell fewer cars, you then impact the number of union members needed to build the cars.

I look across to my friend the member for Chatham-Kent, who I am certain understands this issue better than most and would understand that by introducing taxes that affect the end value of a vehicle, thereby driving the vehicle up in price, you are turning off a significant number of potential buyers. The member for Chatham-Kent would know as well as anyone that by doing so you are really putting auto workers out of work. It seems almost unbelievable to me that this government would have a policy the sole purpose of which would be to drive auto workers from their jobs. It is rather unbelievable, I agree, but that is the real extent of this piece of legislation, this tax.

To get back to the editorials, I think my first quote was from Oshawa. Our Solicitor General is the member for Oshawa. The Oshawa Times said, "They couldn't get it right the first time, so they got it not quite so wrong the second time." That leads me into this discussion about exactly what was put forward the first time the Treasurer brought down his budget. The first time the Treasurer brought down his budget he brought forward a tax, under the guise of an environmental tax, that would tax cars that used disproportionately more gas than smaller models. But during the phase of budget hearings and proposals the Treasurer got word from Mr Bob White, who I think everyone knows is the president of the Canadian Auto Workers

union—the member for Chatham-Kent looks at me quizzically; Bob White, the president of the Canadian Auto Workers.

Bob White originally thought this was a good budget. That does not surprise me. I expected the union honchos to be on side because we know how close the NDP and the unions are. But what was really surprising about the turn of events was that once Mr White, having spoken rather prematurely about this issue, went back to his electorate—the unions, the membership—they were not quite as excited about this tax as Mr White was. The membership said it did not think it was a good idea to drive the price of cars up in an economy that is in serious trouble and in a sector that is reeling. They said to Mr White: "I think you spoke too quickly on this one. Maybe you should tell the Treasurer we're not real excited about this tax." The way it was set up in the first place, two cars produced out of Oshawa, the Lumina and the Regal, fell just above the line. So they were going to get hit with—there is the Treasurer right now. It is good to see him coming in.

The Treasurer found that the tax on these cars was going to fall above the threshold, so they were going to be taxed rather heavily. These two specific vehicles, the Regal and the Lumina, are very high-selling vehicles in the North American market and they happen to be produced right here in Ontario. Mr White got the word from his union people: "You spoke rather prematurely, Mr White. Maybe you should retract what you said. Go and see the Treasurer and try to talk him out of this new gas guzzler environmental tax."

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Mr White did just that. He changed his tune, he flip-flopped, he vacillated, he capitulated and went down to see the Treasurer. He said to the Treasurer, "You know I said I supported your budget in the beginning," and the Treasurer said, "Yes, I know that." Mr White said, "Well, I've changed my mind." Of course, that sent shock waves through the NDP caucus. The member for Chatham-Kent must remember that time. I am certain he was hearing from his membership and they said to him, "This is a tough tax to put on a reeling auto industry"; Bob White coming in and saying, "Gee, I did support your budget, but I don't any more." So the Treasurer changed his mind.

He had a tax that was put in place to penalize the cars that use disproportionately more gas than the average or below-average cars. Rather than withdraw the tax, which I think would have been a good idea and many people in this province thought was a good idea, or use an alternative, which was the incentive idea rather than the punitive idea, he chose the punitive idea—if your car ran on gasoline. That was practically the prerequisite, because so few qualified for rebates. The Sprint and the Firefly may be two examples that qualify for the rebate; they are three-cylinder vehicles—there are not a lot of three-cylinder vehicles built—so they qualified. Basically, if your car ran on gasoline you were going to be subject to the gas guzzler tax, which I think is a little tough.

Anyway, Mr White went in there and said to the Treasurer, "I can't support this any more. The unions have come to me and said this is a punitive tax. You are picking particularly on the Lumina and the Regal and that's going

to cause undue hardship for the workers out there. They'll lose their jobs because these vehicles will drop in sales," and so on.

The Treasurer said at that time, "That's not a problem; I'll just change my budget." So he obviously was not married to this document he put out, because he was interested enough in what Mr White and the union people had to say that he decided to change his mind. But what did he do when he changed his mind? This is of most concern to the widespread auto industry, the workers, the retailers, the employees in the Big Three, and so on. When he changed his mind he did not withdraw the tax, he simply spread the tax right across the board so that practically every car manufactured is subject to some kind of gas guzzler tax, even those cars—I listed them the other day in the House—that get decent kilometres to the litre, or miles to the gallon in layman's terms. You would think these cars would not qualify as cars that should get taxes, but the Treasurer decided, "No, that's just not good enough; I'm going to tax everybody."

What he did, which is very funny even though he was taxing practically every car made—I think it comes out to some 90%—he still pretended in this House and around this province that this was an environmental tax. I have done a little research on this and I discovered that this tax originally came out under the Liberal government.

Mr Mancini: Come on, now, you were doing well until this point.

Mr Stockwell: I am not kidding. I am not attacking the Liberals; I am suggesting they brought this original tax forward.

Mr Hope: Did they attack auto workers?

Mr Stockwell: The Treasurer was sitting on this side of the House. I assume he was a critic because he said when he was on this side of the House—this is interesting; the member for Chatham-Kent should listen—I am paraphrasing, but it is close to what he said because I re-read it today—

Mr Owens: Did you re-read it or rewrite it?

Mr Stockwell: Where is he from? Scarborough or something, is it not?

Mr McLean: He is not even in his seat. He is on his way out.

Mr Stockwell: Anyway, what the Treasurer said when he was in opposition, a critic for the Treasury, was that anyone who would put a gas guzzler tax in place and cloak it in the guise of an environmental tax was—again, I am paraphrasing, but it was very close—misleading the general population of Ontario. He suggested they were being less than honest by suggesting that a gas guzzler tax is in fact an environmental tax.

I had a great deal of respect for the Treasurer when he was on this side of the House. I felt at that time that he was speaking some honest Sudbury words. He was being straightforward. He was not trying to kid the troops. He was not slipping one by the folks. But lo and behold, much to my chagrin, as he got across the House and sat there next to the Premier and read his first budget, who is standing

there saying we have to increase the gas guzzler tax for environmental purposes?

Mr Bradley: Not Floyd?

Mr Stockwell: It was. It bothers many people in this province to this day that the Treasurer could stand in his place—

Hon Mr Laughren: Name one.

Mr Stockwell: Me, for instance—and suggest that we need to increase the gas guzzler tax for environmental purposes.

Hon Mr Laughren: Put a sock in it, Chris.

Mr Stockwell: The Treasurer is obviously feeling his oats. He is heckling in his most inimitable fashion. He is showing us what a wit he is. "Put a sock in it"—that is a good one. Those university days were heady times, were they not?

Interjections.

Mr Stockwell: I have a whole chorus of them here. This is exciting; it is like a choir.

If the Treasurer had said at the time that he was setting up a separate account to put this money into, much like a tire tax account or anything along those lines, he probably would have had fewer sceptics in the general population. He would have had fewer sceptics on this side of the House; well, maybe not on this side of the House. He may well have had fewer sceptics in his own caucus.

But he did not set up a separate account. This tax he has been collecting, this tax he has been generating money from, which he put under the guise of an environmental tax, where is this money going? This money is going to general revenue. It is not going to the environment. It is not going to the car companies to build better cars that pollute less. This money is going to general revenue to try to offset this horrendous deficit the member for Nickel Belt has saddled us with.

In the end, what does this teach us? We have a few lessons we can learn here: (1) just because they said it on this side of the House does not necessarily mean they believe it on that side of the House, and (2) there is not a tremendous amount of difference between the old government's attitudes towards environmental tax and the new government's attitude towards environmental tax.

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The other point I believe is very salient to this issue is the tire tax. The tire tax was introduced by the previous government as a way of generating revenue. I believe that last year the tire tax must have generated—and the Treasurer would be a better expert on this; he knows where every nickel of revenue comes from these days—about \$40 million in revenue and, again, not a nickel went to the environment. I have watched very closely—

Interjection.

Mr Stockwell: How do I know that? Because Floyd told me.

Interjection.

Mr Stockwell: No, from the previous government, last year's revenues. This was supposed to be earmarked

and separate, a distinct account set up for the tire tax, to be used for environmental purposes. I remember that the Treasurer—and I was not in this hall here, I was down at the lower level.

An hon member: You were at the lower level making more money.

Mr Stockwell: I was at Metropolitan Toronto council. We were creatures of the province and we listened with great concern because we knew we did not need any more taxes in Metropolitan Toronto because we were having a very difficult time surviving the tax hikes we were facing. I think of the commercial concentration tax and others that were brought forward.

When this Treasurer stood and again said that hiding a tire tax and trying to pass it under the guise of an environmental tax is not proper, that accounts should be set up to direct the flows, to spend the money on environmental projects, there could be some argument for that. There is a good strong argument for that. At least that would be totally upfront with the public. If he is going to start calling them environmental taxes he should take that stream of money and put it specifically into environmental programs.

The Treasurer is not doing that. He set up a budget. The argument across the floor is, "We spend more money than that on the environment." It may be true, but that money has always been spent and he has increased that on a percentage basis. This was supposed to be new money derived from these taxes to be spent on environmental programs. Mr Treasurer, it simply is not happening.

Mr Cooper: Mr Treasurer?

Mr Stockwell: Mr Speaker—I apologize. I would not want to call you the Treasurer, as I would not want to call the Treasurer Mr Speaker.

I will say that I still have some faith in my friends across the floor, from the socialist party, that maybe they can get their act together at least on this issue. It is important that if the government is going to put forward tax hikes and call them environmental taxes then it should be committed, it should be part of the legislation that if it is going to frame them that way and is going to sell them to the public that way it should have to spend the money that way. I am not in favour of any taxes, but I have learned in the last few years—

An hon member: None?

Mr Stockwell: I am in favour of no new tax hikes. I will get that right on the record. The government gets as much taxes and as much money as it needs right now and it does not need any more.

An hon member: It was a fuel conservation tax.

Mr Stockwell: If it was a fuel conservation tax, and the Treasurer did say it was an environmental tax, I can almost buy that. In the late 1980s when the NDP took the polls about the most pressing issues facing our province today, one of the top issues that came back was that of the environment. It was a way of putting forward a tax and having limited impact on their popularity because they were going to call it an environmental tax. But they never put the money into environment; they put it into general

revenue, and who the hell knows what they spent it on? Nobody could follow those dollars in this maze.

That came from the first line of the first editorial of the first paper I was quoting, so we will go to the second line. It is the Oshawa Times' June 27 editorial: "They couldn't get it right the first time, so they got it not quite so wrong the second time. And we're supposed to be happy about it. Ontario Treasurer Floyd Laughren"—the member I was speaking about earlier—"brought a tax designed to discourage sales of Oshawa-built Buick Regals and Chevrolet Luminas, and replaced it with a tax that will discourage sales of all domestically made cars and encourage sales of a few transplant models."

That is very important to know. I spoke with a person in the American government today and I asked him—

Hon Mrs Grier: The CIA maybe?

Mr Stockwell: There is the Minister of the Environment. That was quite a line, we will have to write that down, a quip. I spoke with someone from the American government and I asked him whether this tax contravenes the free trade agreement. I get some quizzical looks. Thanks for looking quizzical; I will explain.

The Minister of Industry, Trade and Technology wants to say something, I think. No, it was just like in cabinet.

The question was put whether this tax was artificially set, through a specific lobby, to maintain car productivity in this province. The question is, did the Treasurer artificially reduce this tax below the Lumina and so on to give an artificial level of cost to it for the sole purpose of maintaining this business in Canada? The answer was not forthcoming and I doubt very much it will go further than that, but it was rather interesting and am glad of the opportunity for making the statement.

This is Oshawa. This would be in the greater Toronto area, I would say, very close to Toronto, just east, a lovely town.

Having said that, I will move on to the June 26 North Bay Nugget, in a northern town. I guess some in the caucus would have gathered that. The North Bay Nugget said of the Treasurer's new tax and rebate scheme—and do not be misled by this rebate scheme. Way more tax money is collected than is ever rebated, considerably more. He just added the word "rebate" because he put in, I believe, the Firefly and Sprint, a couple of three-cylinder cars that no one makes except GM.

Anyway, the North Bay Nugget said, "Laughren's new tax and rebate scheme"—this is very important; members should listen to this—"the only signal it sends is that the consumer will pay more for a new car." That seems pretty obvious. This government did not seem to buy that theory. It figured it could just tax cars and it would not drive the price of the car up. I am not sure where they are from, but rather silly. "It is another tax, added with all the other taxes, and nothing more." Very succinctly put. "At this rate, some day the taxes on a vehicle will be more than the cost of manufacturing it." That seems to be a bit of a stretch, but not a lot. We have been taxing vehicles and gas to such a degree that I can almost foresee the day, if the NDP stays in power for another two or three years, that it

would have a tax that would be greater than the cost of manufacturing. Some will laugh, but let's examine the tax on a car.

Say the Treasurer walked into a dealership in Sudbury, or the Minister of Industry, Trade and Technology wanted to go up—he is out of business now, is he not, in the riding of Rexdale? There are a few others he could go to, but I remember the one I am thinking of. He just closed down after many years in business in Rexdale. It is a shame, but he has closed down. He said the economy had something to do with it. But if the minister wanted to walk in and buy a car in Sudbury and he was going to buy, say, a midsized North American car, he would say to the guy who is selling the cars: "Okay, it's \$20,000. I'll buy it." Then when he got the bill, he would have to examine all the taxes on this car. Let's start out with the tire tax.

The tire tax is an interesting tax. That is another tax that was instituted under the guise of an environmental concern. You pay \$5 per tire. You have your four tires and your spare, so you pay \$25. Even though your spare is an undersized spare, not even a full tire, you still pay the \$5 on your undersized spare. I know these things because I am very close to this industry.

Mr Bradley: Is all that money going to the Ministry of the Environment yet?

Mr Stockwell: That money was supposed to be going, and I look across the floor at the new Minister of the Environment, new to this government. I remember when that debate was taken, and the suggestion should be made that there was a great hue and cry on this side of the floor, when the socialists and the Conservatives shared this side, about how a tire tax that was another tax bent on the environment should be put into a separate account and spent on the environment.

Of course, we all remember the election. Members remember that the current Premier called Mr Peterson a liar five times downstairs. He was the guy who said this money should be separate and should be spent for environmental purposes only. They have now been in power for 14 or 15 months. I have heard one minor announcement that does not even begin to cover the amount of money they are collecting on the tire tax for environmental purposes. Something is running amok on that side of the floor. Either they really did not mean what they said on this side of the House when it came to environmental taxes or they are simply so financially strapped and have spent like such demons in the last 14 or 15 months that they do not have the capacity to make those kind of environmental decisions on what they proclaim to be environmental taxes.

Having said that, it seems rather curious to me that you would be charged \$5 a tire in tax, or \$25—and the spare is an undersized tire—and then when you want to dispose of the tires once you have finished using them, there is another tax. When did they spend the money from the first tax? The suggestion is there is no tax. I know what the Minister of the Environment is going to say. She should go and talk to those people who are taking tires off at the dealerships, at Goodyear or some of these places, because they are charging customers a tax for taking the tire and then they

are disposing of the tire. If the government is being truthful and honest with the public, I suggest it send the word out to the people who are removing the tires, because they are out there charging a tax.

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It seems rather hilarious to me to think that you get taxed for the disposal of these tires when you buy the tires, and then when you have finished using the tires, they tax you again to dispose of the tires they have not handled yet. And none of that money goes to pursue environmental programs. Something is definitely wrong across the floor. It certainly is not consistent with the way they approached government when they sat on this side of the House.

I was just adding up the cost of taxes on a new car. The Treasurer walks into a dealership in Sudbury or Ottawa—

Hon Mr Laughren: Or Shining Tree.

Mr Stockwell: Yes. I do not know what he said, but I will nod my head in agreement.

Hon Mr Wildman: He said Shining Tree. It is a big place in his riding.

Mr Stockwell: Shining Tree. Okay.

Hon Mr Cooke: He does not know anything outside of Etobicoke.

Mr Stockwell: I do. I am obviously outside of Etobicoke and I have gotten here all right. I will get home all right too.

Here we have the Treasurer walking into Shining Tree to buy a car. He has asked, "How much will this car cost?" and they have told him \$20,000 or \$10,000, whatever the case may be.

An hon member: Did you lose your concentration?

Mr Stockwell: No, I did not. That was funny and I will not repeat it.

Let's say that the Treasurer is spending \$10,000 on a car, because it is easier to work the mathematics. He is spending \$10,000 on the car and now he has the provincial sales tax and the goods and services tax. Let's just say they are amalgamated at 15%. With the tire tax involved, we are now dealing with \$1,600 in taxes on a \$10,000 car.

Now you have to pay the air-conditioning tax if it is air-conditioned. Practically all cars that are sold today are air-conditioned. So that is another \$100 for your air-conditioning tax. You are up to \$1,700. Then you have your gas guzzler tax, depending on the model or type of car you are buying. Let's call it \$250. For argument's sake, you are rounding this thing off to about \$2,000 in taxes. You are buying a \$10,000 car they are trying to sell to you, that General Motors or Ford or Chrysler are building, and they want to slap you with \$2,000 in taxes.

Mrs Mathysen: How much is going to the Tories in Ottawa?

Mr Stockwell: There is a good point. That is fine. When a person pays for the car and they slap \$2,000 in taxes, I do not think they feel any better knowing that 8% or 7% of that is going to the Tories in Ottawa. They do not care. They just know they are paying \$2,000 in taxes. When you add up the taxes, well over half is going to the provincial government. The taxpayer who is buying a new

car for his family and looking to spend \$10,000 is now at \$12,000, and \$2,000 is made up of taxes.

Do you want to know the real kicker, Mr Speaker? Again, it is a common complaint across the floor, "Blame the Tories in Ottawa." If the member thinks the Tories in Ottawa are doing such a fine job, that is fine. I do not think they are doing such a great job, but the NDP is collecting more tax on cars than they are. If the government thinks the Tories are bad, it is worse.

So the person then spends \$2,000 for tax on a new car, on a \$12,000 car. Now, the real shame of the whole—

Interjection.

Mr Stockwell: So what is the analysis of this? If it is a \$10,000 car, we can figure the person in—Rainy Tree, is it?

Mr McLean: Shining Tree.

Mr Stockwell: Shining Tree; I apologize.

Mr McLean: That's near Moonbeam.

Mr Stockwell: You can assume the person in Shining Tree, the proprietor, is probably getting about \$1,000, maybe \$1,200 gross on that deal. So he is making \$1,000 to \$1,200 selling a \$10,000 car. The government, on the other hand—sounded like the member for Welland-Thorold there for a minute—is making \$2,000 more than the owner. The government's take on a new car is literally \$800 to \$1,000 more than the owner is making. So we have the government collecting \$2,000 in taxes. That is making one assumption; that is assuming that the car never gets sold again. But most cars get sold again. They get sold as used cars. It makes a lot of sense. In fact, some members may have bought a used car.

Mr McLean: Ed Philip has.

Mr Stockwell: I am certain, a used car. Maybe it is one of those four pink Cadillacs that are going to come by here some time tomorrow, and we will take our vote. But somebody across the floor has definitely bought a used car, I am sure. Now, do members think that the governments—of all levels, including the provincial government, which is collecting more than the feds—will say, "Okay, we've collected tax on that car once already; it seems pretty irresponsible to me to collect tax again." Yes, of course they do. The deal is that the taxpayers then have to front a whack of money for the government when they have already paid taxes on it in the first place. This gets all folded in, in many different taxes. I mentioned the tire tax, the air-conditioning tax, the PST, the GST, and of course this gas guzzler tax.

To anybody who suggests that by increasing the taxes on cars you do not have a major impact on a broad cross-section of an industry that is reeling today, I suggest that person does not understand the economic climate or the car industry at all. Today, car buyers are very cost-conscious. They are aware of what offers are out there, including incentives from dealerships and manufacturers and so on and so forth.

So when it comes to that tax—and I did get that bit of information from this editorial in the North Bay Nugget—I think it is pretty important to remember when this government is introducing its tax on auto workers, because it is affecting the number of cars sold. Clearly, when you affect

the number of cars sold, you could affect the number of people employed: not just unions, but dealers, manufacturers, presidents, secretaries, receptionists, clerks and mechanics. The dealers rely on new cars for their parts department and their mechanical department and so on and so on, so it has a wide range. And from the manufacturing sector, I do not think there is a more important industry than the car industry.

So we will move on. We have been to Oshawa, and they did not like the Treasurer's tax. We went up to North Bay, and they of course did not like the Treasurer's tax. So let's go to Windsor.

Mr McLean: We went to Shining Tree.

Mr Stockwell: Shining Tree; we were at Shining Tree, and the Treasurer bought a car. So we will move on to Windsor. In Windsor they said—and this is another big auto industry town—

Mr McLean: This is the House leader's home town.

Mr Stockwell: The House leader's home town, Windsor, Ontario. They stated, "Ontario's rejigged gas guzzler tax is better"—

Hon Mr Cooke: We heard this last week.

Mr Stockwell: I am just reminding the member what I have read. I do not think the member took it in.

Hon Mr Cooke: I read it six months ago.

Mr Stockwell: Mr Speaker, with all due respect, clearly members did not understand it, because they have not changed their minds yet. So, the Windsor paper said—

Interjection.

Mr Stockwell: Okay, that is another good line. The member should write that down. Do not lose it. It is a keeper. The Windsor Star, "Ontario's rejigged gas guzzler tax is better than the scheme that the government had proposed in its spring budget." So the government got full marks on it. It was better than what this government originally announced, but—and they go on—"Let's be honest. It is still nothing more than a new way to extract money from consumers."

Hon Mr Cooke: That's mild compared to what they say about Mulroney.

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Mr Stockwell: "That's mild compared to what they say about Mulroney." I guess that is some kind of measurement of their success. The Windsor Star does not dislike them more than it dislikes Brian Mulroney.

Hon Mr Cooke: Or what they say about you.

Mr Stockwell: I quite honestly cannot believe they are writing about me.

Mr Bradley: What is Bob White's position on this?

Mr Stockwell: I went over Bob White's position. His position flip-flopped. He was in favour originally. Then when he got the word from the workers—and I assume the member for Chatham-Kent was one of them—he changed his mind. He went in and gave the Treasurer an earful and of course the Treasurer, being close to those unions, backed down and broadened the scope, widened it and encompassed more cars.

I do not think the Windsor Star was off the mark at all. Really this tax is just a new way to extract money from

consumers. By extracting more money from consumers, they then leave themselves in the unenviable position of having to defend this tax to the auto workers. Of course the auto workers are having a very difficult time holding their jobs. Why are they having a difficult time holding their jobs? Because very few cars are being sold today. Why are very few cars being sold? Because we have a recession and we have governments, as I explained, in that town—what was that town?

Mr McLean: Moonbeam or Shining Tree.

Mr Stockwell: Moonbeam or Shining Tree, those towns are being affected because there are so many taxes on new cars, it makes it prohibitive to make that purchase, and they are driving union jobs out of the province.

So Oshawa did not like it, North Bay did not like it, Windsor did not like it. We have been really right around the ring here, but we should make a stop in St Catharines. Now, St Catharines is another town, and I know the Leader of the Opposition is here and it is good to have a lot of people here who have lived in these towns and know these newspapers, because I think they have spoken volumes in the short editorials that I have read today.

But here is St Catharines. This town is very dependent, I would say, on the auto industry. There are a lot of parts manufacturers and a lot of their jobs are in the automotive industry or offshoots of the automotive industry. The St Catharines Standard was very clear in its June 26 editorial. It said, "A tax is a tax is a tax." That was clearly in response to the Treasurer's feeble attempt to class this as an environmental tax. They were very clear. The Treasurer can call it any name he wants, but a tax is a tax is a tax.

Mr Bradley: It's a very good newspaper.

Mr Stockwell: It appears to be very good. It seems to have an editorial policy that I could even support.

Hon Mr Philip: It sounds a lot like a Tory is a Tory is a Tory.

Mr McLean: Same as an NDP is an NDP is an NDP.

Mr Stockwell: Good, sure, yes.

Hon Mr Philip: Why do you not want to admit that?

Mr Stockwell: No, I think it sounds a lot like that. Yes, that is pretty interesting.

We will move on: "It remains a regressive tax, but it is spread over a wider range of vehicles than was originally proposed and the main victim is still our industry."

So here is another newspaper which has said categorically that this tax is only going to affect—I have got a posse here. I do not like too many cabinet ministers near me at the same time, to be perfectly honest. It may rub off. Here we have another tax—

Hon Mr Cooke: Spit it out.

Mr Stockwell: I do not like this, frankly.

Hon Mr Laughren: Well, then, put a sock in it.

Mr Stockwell: Moonbeam would not like it either.

Here we have another newspaper, the St Catharines Standard—oh, should I speak on that side of the House, Mr Speaker?

The Speaker: You are still on topic.

Hon Mr Cooke: Why don't you adjourn the debate?

Mr Stockwell: No, I cannot. Anyway: "A tax is a tax is a tax. It remains a regressive tax, but it is spread over a wider range of vehicles than was originally proposed and the main victim is still our industry."

Hon Mr Cooke: It doesn't make any more sense over here than it did over there.

Mr Stockwell: I have lost them. It is obvious that they could not stand being this prosperous. It still comes down to the bottom line. My friend the Treasurer, who just bought a car in Moonbeam, will not—

Hon Mr Laughren: No, Shining Tree.

Mr Stockwell: Shining Tree, I apologize. It is close to Moonbeam, is it not?

Hon Mr Laughren: No.

Mr Stockwell: I wanted to make those points that were very clear right across this province. They are not happy with this man and they are not happy with this man's budget. They are not happy with the gas guzzler tax that was in his budget. They are not happy with the jobs it is going to cost. They are not happy with the potential union jobs, the clerical jobs, the jobs in the dealerships, the sales jobs, all those jobs that are going to go by the way-side because governments—and I say all governments—are so shortsighted they cannot understand what is turning this economy off. It is government interventions and taxes, and specifically taxes. Here is another example of a government that is just so shortsighted it introduced this tax and it cost more jobs in this province.

Let's move on. They are unhappy on Kipling Avenue in Etobicoke. I was out on Kipling Avenue not long ago and they are not happy.

Mrs Mathysen: That is why they're not happy, because they saw you.

Mr Stockwell: They were happier, actually, when I was not on Kipling Avenue, which may have something to say as to why they were unhappy, but, none the less—

Hon Mr Philip: They were just unhappy because you were on their street.

Mr Stockwell: The Minister of Industry, Trade and Technology is going again.

Let's examine the timber industry. The timber industry also must pay this gas guzzler tax on any vehicle that is, in fact, purchased. Or let's examine farmers. Farmers are another industry. When they take their product or their cattle or whatever, when they are dealing with these new purchases of vehicles, most of them are four-by-fours. I do not think anyone would disagree with that. Most of those vehicles that they are purchasing are four-by-fours. There is a specific requirement, under this tax, that says four-by-fours must pay the added cost.

Now, four-by-fours, in this province—maybe in southern Ontario, an argument could be made about the need for a four-by-four, but my friends in the northern parts of Ontario, in Sudbury, for example, where the Treasurer is—there is another member from Sudbury—North Bay, Thunder Bay. I do not necessarily think that simply by buying a vehicle that is a four-by-four you are doing a disservice to the

environment of this province, because four-by-fours are, it seems to me, rather necessary in those sectors of this province. I do not think an argument can be made from the member from Sudbury to suggest that anyone in Sudbury who buys a four-by-four is not being environmentally conscious, because they have to have the capacity to get around in order to do business in a lot of cases.

Farmers are another example in eastern Ontario. Farmers in eastern Ontario are buying four-by-fours for the winters. Every four-by-four—this is how much thought went into this budget—gets hammered with the gas guzzler tax. Little if any thought went into whether or not these people need these kinds of vehicles to do their work, to do their job. It was just a total slap across the face of every person in this province who needs a four-by-four to carry on his business. There are a number of them, particularly in northern Ontario and, in fact, in the snowbelt in western Ontario or in eastern Ontario. In some cases, the tax is as high as \$1,200. They are tacking \$1,200 on to the cost of a vehicle for someone who needs this vehicle to do his business, to do his job. What is the government trying to do—drive these people out of business so they can join the ranks of the unemployed?

Farmers, the timber industry—now, here is one that hits close to home, the OPP, and I am certain the Solicitor General will give any of the members across the floor the statistics, if they would like to see them.

Mr McLean: He is not here.

Mr Stockwell: No, but I am sure he would. He would give members the numbers on the effect of this increase—the gasoline increase and the gas guzzler tax—on the budget of the OPP.

Mr Bradley: That is why they had to drop the Golden Helmets.

Mr Stockwell: My friend the member for St Catharines makes the point crystal clear. One of the major reasons, probably, that they had to drop the Golden Helmets was these and other taxes that were very shortsighted. Here we have millions of dollars, I would suggest, to the OPP. It would probably add up to millions of dollars. I do not know the exact figure, but if you are figuring a 30% increase on the tax portion of a gallon of gas, that is going to add up to millions of dollars.

Mrs Mathysen: I can't follow the logic.

Mr Stockwell: You cannot follow the logic. I will slow down. Okay, if you increase the gas tax, then—

Mrs Mathysen: Explain again about the Golden Helmets.

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Mr Stockwell: You will never follow it if you do not let me explain. If you increase the gas tax, OPP cars—they are propelled by gas—are going to have to pay more money for gas. Therefore, their budget goes up. And if that is not good enough, the member should pick up Hansard tomorrow and I am sure she can study it and she will pick it up.

The gas tax obviously drives the price of operating the OPP up, which in effect means the government has to tax more from the people to cover the cost of the OPP, which

is really counterproductive. They are driving the cost of government up and they are just going to have to tax people more money to generate revenue to pay the cost of that government. I do not know the exact figure, but I will say that for the OPP it probably adds up to millions of dollars for the vehicles that are travelling around.

This government is in a sorry state of affairs in this province when it comes to the budget of the OPP. The Solicitor General stood in this House and told us that they have to freeze hiring. Certain areas are not being covered in this province. Why? Because they do not have enough money, yet they are prepared to spend millions of dollars on a gasoline tax.

Mr Bradley: They have enough money to send them after the opposition members.

Mr Stockwell: That is an important point, yes. They do not have enough money to run 24-hour service in some sectors of this province, but they have enough money to send the OPP into offices of opposition members. That is very, very striking in its statement of this government and where it stands on policing.

As I said before, not to put too fine a point on this, it is totally counterproductive. It is totally counterproductive to increase the gasoline tax, the gas guzzler tax, because it drives potential buyers out of the market, thereby costing union jobs, sales jobs, clerical jobs, all the jobs that get folded in, plus they are driving up the cost to operate their own government—for example, in one sector, the OPP, a portion of this government so seriously short of money that it cannot provide 24-hour service to significantly populated areas in this province. That is a very, very large shame. I think this government should really rethink this issue, this tax and itself—quite frankly, its whole being.

I move on. The other concern I have is these names they pick for these taxes. It is somewhat deceitful in my opinion—

Hon Mr Wildman: Uh-oh.

Mr Stockwell: I apologize if that is unparliamentary. I will certainly retract it. It is not aboveboard in my opinion to keep giving them names. They give them all these special names like the gas guzzler tax. They call it the retail tax amendment and they put it in the guise of an environmental tax. The tire tax is another one that they put in the form of an environmental tax. They give them all these names. The employee health tax, that is another one.

Some hon members: Employer.

Mr Stockwell: Yes, sorry, the employer health tax. Yes, that is right, I am an employer and I have to pay the health tax. There is no doubt about it. The employer health tax.

They give them these names as if there is some kind of special reason for giving them these names.

Interjection.

Mr McLean: There is a voice in here.

Mr Stockwell: There is. It is an echo.

They give them all these names, and I mentioned a few, and then when the taxpayer pays these—and I know myself sitting down and paying the employer health tax—you think to yourself, "Well, there's got to be some special

account this goes to." You think, "Well, it must go to a health budget tax," or, "It goes to a doctor somewhere," or, "In an underserviced area, they scamper in and grab my cheque and run up to northern Ontario and give it to somebody because they've got to see that that money gets up there."

Mr McLean: The fishing tax.

Mr Stockwell: The fishing tax is another example. All these wonderful taxes—they give them names, as if they actually mean anything when all the name means is general revenue.

Ms S. Murdock: Consolidated revenue fund.

Mr Stockwell: There is another one, consolidated revenue, as if the taxpayer is going to say, "Well, of course." It is just general revenue. Wherever your taxes are paid, whatever you pay, it goes into this big account and they give them all these lovely names but those names do not mean anything. It is just tax.

I guess that is more of a pet peeve than an actual legislative concern, but there are a lot of people out there who honestly believe by giving it a name, the government is putting it into a specific area, giving it this specific job, and it is not. It goes to general revenue just like any other tax you pay, personal income tax or any tax that goes forward. If you think because they call it a health tax or an environmental tax or a fishing tax it is going anyplace else, you are dead wrong. It simply goes to, as they say, consolidated revenue; as everyone else would say, the big pot all taxes go to. No matter how well this government tries to spend its money, there is always less money going into the pot than they spend.

An hon member: You would have done it differently.

Mr Stockwell: Very much so. I would have done it very differently, there is no doubt about that. I have said very clearly. I will tell the members of the government that I never would have done what they did when it came to transfer payments.

Interjection.

Mr Stockwell: The member should not tell me about that. They think they have cornered the market on compassion. That is the problem with those socialists. They think they are the only people in the world with compassion. They are in the same predicament today. If they had handled the budget properly last year they would not have to be passing off 2% increases in general welfare and so on, and their transfer payments, because they spent indiscriminately last year. Everyone knows they spent indiscriminately last year.

Now they have boxed themselves in a corner and they are blaming everybody but themselves. They increased payroll in this province for the employees by some 14%. If they do not think that is spending themselves into a corner then they have not run a business. That is spending yourself into a corner. That leaves them in the very awkward position of offering 2% as an increase in social assistance. That is unacceptable, I agree. I do not think there will be another government in this province which offers a 2% increase as this government has, and not have that party go

absolutely berserk in opposition. To suggest they have not spent unwisely—I would doubt it. We move on.

Mr Winninger: We're a captive audience.

Mr Stockwell: I know, they have to be to keep a quorum.

For my friends across the floor, here is an environmental concern I have with respect to the GTA. Why is it that the government cannot take some of this money from this gas guzzler tax—I do not think anyone would disagree that the vast majority of this money is generated though the Golden Horseshoe or the greater Toronto area, where most people are concentrated in the province of Ontario. That seems logical, but I just want to make sure the government members nod their heads in agreement. They are nodding; some are signing. Why should not some of these moneys, particularly the moneys generated in the GTA or the Golden Horseshoe, be spent on environmental programs in the GTA and in the Golden Horseshoe?

Interjection.

Mr Bradley: Did Hansard pick up that word?

Mr Stockwell: I am not sure. There seems to be some charge here by suggesting that some of the gas guzzler tax should be applied to the GTA or the Golden Horseshoe that is generating these dollars—or even take some of the commercial concentration tax. Remember, the members opposite were opposed to that in opposition; they said it was a selective tax on one region within this province. Why have they not withdrawn that tax? Why have they not taken that tax back? The people in the greater Toronto area and the Golden Horseshoe certainly do not think it is a fair tax. They are on record saying they oppose this tax. Why have they not withdrawn that tax?

Silence.

Ms S. Murdock: We are getting tired of you.

Mr Stockwell: The member should not tell me she is getting tired. She was not here. She should talk to her cabinet minister. She does not represent the greater Toronto area that is being burdened with an unfair tax, a tax on office space in Toronto, period—nowhere else does it apply—and parking garages. It is absolutely unbelievable a government could be selective in choosing to tax a city. That is what it has come down to, a region.

Mr Johnson: Just like the Americans.

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Mr Stockwell: The comment was, "Just like the Americans." They must be patterning themselves after some American as far as the tax procedure is concerned. If they were, they would certainly decrease the taxes.

Why is it not acceptable that the gas guzzler tax they generate from the greater Toronto area in the Metropolitan Toronto region be put back into the GTA and the Golden Horseshoe for environmental purposes? It seems acceptable. There is always a shortage of funds in Metropolitan Toronto councils and local councils for projects; there is no funding for these projects because of the environmental sensitivity of these particular developments. We do not see this money coming back through the GTA. We do not see

any announcements of grants in the Golden Horseshoe. All we get is taxed.

Mr Johnson: No road repairs? No road maintenance?

Mr Stockwell: The argument is made about road maintenance. We could have a debate here for the next 15 years about road maintenance. Let me tell my friend the member for Prince Edward-Lennox-South Hastings that if we even begun to put the money back into the roads that the taxpayers pay, we would be absolutely and totally broke because—

Mrs Mathysen: You can't use the past participle like that.

Mr Stockwell: Excuse me. Clean my grammar up. Okay, I will try.

If the government put in anywhere near the money it collects in the tire tax, the gas guzzler tax, the air-conditioning tax and the gas tax, all these taxes it pulls out of the system—it does not put even 50% of what it collects back into the Metropolitan Toronto area for road repairs. Do not start on me about road repairs. My goodness, the local municipalities pick up a significant share of the road repairs and expansions. That comment is just so off base and totally out of touch with what moneys they generate in taxes, to me it is absolutely unbelievable.

As I said before I was so rudely interrupted by an unsubstantiated attack, I will talk about the gas guzzler tax and why the moneys generated in the greater Toronto area cannot be spent there. Nobody seems to understand why they cannot do that. I think it is a very sensible approach. I ask the Minister of the Environment, who is the minister responsible for the greater Toronto area, which is a very wide-ranging responsibility, why we cannot take some of the money generated from the gas guzzler tax and apply it back into the greater Toronto area.

At this point, I move adjournment of the debate.

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The House divided on Mr Stockwell's motion, which was agreed to on the following vote:

Ayes 40; nays 0.

Mr Johnson: In the absence of the minister, I move first reading of An Act to provide for the creation of labour sponsored venture capital corporations.

Mr Harris: On a point of order, Mr Speaker: First, it is totally unacceptable; the minister is here. Second, this is not introduction of bills. The member cannot move first reading unless it is introduction of bills. He said, "I move first reading." This is totally out of order and out of line.

The Speaker: To the leader of the third party, it is certainly in order for someone in the absence of the minister to move second reading and I believe this is what the member meant to say. Would the member for Prince Edward-Lennox-South Hastings take the floor please?

Mr Johnson: I regret that I made an error.

LABOUR SPONSORED VENTURE CAPITAL CORPORATIONS ACT, 1991

LOI DE 1991 SUR LES CORPORATIONS À CAPITAL DE RISQUE DE TRAVAILLEURS

Mr Johnson, on behalf of Ms Wark-Martyn, moved second reading of Bill 150, An Act to provide for the Creation and Registration of Labour Sponsored Venture Capital Corporations to Invest in Eligible Ontario Businesses and to make certain other amendments / *Projet de loi 150, Loi prévoyant la création et l'inscription de corporations à capital de risque de travailleurs aux fins d'investissement dans des entreprises ontariennes admissibles et apportant des modifications corrélatives.*

Mr Johnson: Bill 150 puts into place a plan for business, labour and government to work as partners to help Ontario meet the challenges of the changing economic environment. The Ontario investment and worker ownership program is an example of the government's commitment to create and maintain jobs, improve labour-management relations, increase productivity and competitiveness and bring stability to Ontario's economy.

The new program is the result of consultations with many groups and individuals in the business, labour and venture capital sectors. It will be Ontario's contribution to the network of labour sponsored venture capital corporations in Canada. The tax incentives will encourage people to invest in a labour sponsored investment fund and encourage workers to gain significant or majority ownership of their employer's business through an employee ownership labour sponsored venture capital corporation.

Under the investment fund option, a labour organization can set up a fund similar to a mutual fund to invest in a portfolio of small and medium-sized businesses. Ontario residents who invest in the fund get a 20% Ontario tax credit on the first \$3,500 invested in the fund and a matching 20% federal tax credit.

Under the employer ownership option, a group of employees can gain a significant or majority interest in their employer's business regardless of the size of the business. Employee investors receive an Ontario tax credit of 20% on the first \$3,500 and 30% on the next \$11,500 invested in the venture capital corporation in any one year. An employee's total tax credits for all years are limited to the first \$150,000 of the investment. As outlined in this year's Ontario budget, the new Ontario investment and worker ownership program is the first step in the government's economic strategy for sustainable prosperity.

I am pleased to present this program which is designed to help Ontario business and labour come together to find positive solutions to the economic challenges facing us.

The Speaker: Further debate? The member for Carleton.

Mr Sterling: You are not going to ask for questions or comments?

The Speaker: Questions or comments? The member for Cochrane South.

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Mr Bisson: I am pleased, finally, to get this legislation up to second reading. A piece of legislation, I think, that we talked about a little bit earlier, about the importance of being able to find new solutions, at finding ways of raising capital and finding new solutions in order to assist the economy of Ontario.

It is a well-known fact that what is happening across this country and generally in North America is something that is brought along by a whole change of rules and regulations by which we do business over the past number of years. I think this bill is actually a good step in the right direction.

We have seen initial works of what can happen underneath a plan of worker ownership. We have seen in Kapuskasing, for an example, a bringing together of the community of Kapuskasing, bringing forward the workers from within that plant, to bringing people in from the community as well as the private sector, and trying to find solutions to the problems that we have in the economy of today.

I think the introduction of this bill is a good sign of a step in the right direction, at really trying to find innovative solutions to the problems that we have inside this province. For that, I think a lot of people in northern Ontario, as a matter of fact all across this province, are looking at this bill with a great amount of excitement, I would say. I know, speaking to people up in the north, people who have seen what worker ownership can do in places like Kapuskasing, are really looking forward to the ensuing debate that is going to come on and the eventual introduction, may I say, in royal assent of this bill.

Mr Bradley: I can understand why the government may be introducing this bill, because it must be concerned about the state of the automotive industry in the province of Ontario. We know, of course, and the member did not mention it but I am sure he was just forgetful, that a major decision is going to be announced this week by General Motors as to the future location of its operations in the province of Ontario, whether there will be a closing of any plants or any specific operations within those plants. Of course, TRW as well will be making an announcement that will affect its worldwide operations with thousands of jobs going to be scaled down. It is estimated, for instance, at General Motors that a large percentage of the management jobs, as well as those where there is labour representation, will be lost. For the communities that are directly affected by this, communities such as Oshawa and St Catharines, there is a lot of apprehension at the present time.

I can understand why, in introducing a bill of this kind, perhaps that same apprehension is being felt by some members of the government. A couple of weeks ago, however, when I asked the Premier a question about this matter, everyone seemed to say everything was fine and there would be no problems and the future of the auto industry was secure, our plants are productive, and so on.

I think what is happening is that the major auto manufacturers are looking beyond simply the productivity, although that is extremely important in the plants. They are looking to the atmosphere for investment in any particular area, and comparing the province of Ontario in 1991 with

many other jurisdictions where there is a possibility of investing those funds. So I do hope the government takes the appropriate action. Whether this bill will be that or not, remains to be seen after this debate.

Mr McLean: I wanted to speak briefly with regard to Bill 150 and indicate the concerns that I have with regard to the bill, which provides for income tax credits for investments in corporations registered under the proposed act.

This bill allows an application to be filed with the minister with a proposal setting out: the name of the corporation, the location of the registered office or permanent establishment in Ontario of the corporation. It allows the amount of equity capital to be raised on the issue of each class of shares of the corporation, whereby it gives the employees who have been working at that industry the opportunity to purchase shares of each class and series with regard to a maximum number of shares that the corporation is authorized to issue in each class.

Really, what it is doing is certainly indicating to me that it gives the employees the opportunity to look at the availability of purchasing the corporation or the industry that we have seen in the likes of Kapuskasing. When we look at what is happening in Sault Ste Marie and some of the other areas in the province, it is certainly a bill that will give the employees the opportunity to have a share in the company they are working for.

I can certainly see some of the benefits within the bill whereby there are many people who would like to have a share. At one time, I was a shareholder in a company, as small as it may be, and it certainly gives you the incentive and the initiative that you were part of that company. There was something that made you feel good about it.

The explanatory notes with regard to this bill indicate what the ownership should be. I am looking forward to the debate and listening to the pros and cons with regard to Bill 150.

Mr Johnson: I think the Labour Sponsored Venture Capital Corporations Act is a very good piece of legislation. It is going to allow opportunities for employees to invest in their places of employment. It is going to allow them opportunities to invest in their futures.

Given the nature of the economic environment in Ontario today and the situation that employees find themselves in, they would be most interested in opportunities not unlike the opportunities that are being made available by this act.

People in Ontario who have an interest in investing in businesses in Ontario will have an opportunity to invest, as was indicated in the opening remarks, moneys in venture capital into businesses in the province. I think this will allow them, through tax incentives, an opportunity to invest their money, to help and assist business in Ontario to be successful in these very difficult times.

Some of the members opposite are very curious to know where the money is going to come from. Certainly, people will be able to invest their own money, people who are interested in investing in Ontario. God knows that the scaremongers on the other side, they do not want to encourage people to invest in Ontario. In fact, what we hear so often is, we hear them say that Ontario is not the place to

invest. We hear this time and time again. They say that this is not the place to invest. This is not the time to invest. In fact, Ontario is a great place to invest.

Mrs Y. O'Neill: We are, at this late hour, beginning what I consider a very important initiative, an initiative that I feel we must go at with some caution. I do support the intent of Bill 150. I believe it is a step in the right direction, a step to facilitate and encourage Ontario's workers to show their confidence in the companies which employ them by being able to personally invest in those companies and to receive incentives and tax credits for so doing. I believe that all workers should be so encouraged. Unfortunately, that is not what Bill 150 permits. In fact, the federal government in four other Canadian provinces already has legislation, as many of us know, in place to encourage this kind of employee investment.

Serious concerns about certain aspects of this particular bill present themselves. My concerns involve a lack of clear definition of terms in Bill 150, which, as many pieces of legislation brought forward by this government do, overrelies on regulations.

2330

I believe that employees will be encouraged to invest in financially troubled companies without adequate explanation and thus knowledge of the personal financial risk they are undertaking. These businesses, let us not be mistaken, are businesses that those people who are usually in the investment business, as they are sometimes called, the Bay Street crowd, are looking at with a great deal of caution. But the employees are being asked to invest, and in many cases when the employees invest they are being asked to invest in a company which is in grave and serious financial difficulty.

As we have seen, there are two distinct investment vehicles provided for in Bill 150: employee ownership labour sponsored venture capital corporation—a mouthful, I must say—and labour sponsored investment fund corporation, two distinct investment vehicles. Although the program is administered by the Minister of Revenue, the Employee Ownership Advisory Board is appointed by cabinet and reports to the Ministry of Industry, Trade and Technology.

First, please let me make a few comments on the regulation aspect of this legislation that I intimated earlier is troublesome. I have mentioned before in this House while debating various pieces of revenue legislation that I am concerned about this government's habit of entrenching important aspects of their revenue policy legislation in regulation—regulations which can be enacted and changed without the approval, or often even the knowledge, of the Legislature, with no possibility for amendment, no possibility for input from those of us who serve on behalf of the people of Ontario.

Again, in Bill 150 we find much of the substance of this bill is yet undefined. It requires a leap of faith. A leap of faith in a government which, in my humble opinion, does not deserve that leap of faith. It will only be defined, all of this definition will come by regulation after this House has passed it in good faith. These regulations will

therefore be formed and implemented without any further input, discussion or amendment.

One of my specific concerns in this area involves the process by which the proposed investment, business plan and human resources plan will be reviewed and evaluated. A new board representing labour, business and government is to be established as a result of Bill 150. The board will advise and report to the Minister of Industry, Trade and Technology on whether the proposed investment in the business of the employee-owned, labour sponsored venture capital corporation is equitable and reasonably commercially viable over the period covered by the business plan. We have no indication of how long that business plan will be for. We do not know what the term "reasonably commercially viable" means in this piece of legislation. Qualifying proposals will then be recommended by the Ministry of Industry, Trade and Technology for approval by cabinet. But at the moment—

Mrs Sullivan: On a point of order, Mr Speaker: It appears that there is not a quorum in the House. I think the member is making such fine points about this legislation that she ought to be respected with a quorum present.

Clerk Assistant and Clerk of Committees: A quorum is present.

Ms S. Murdock: Apologize.

The Speaker: The member for Ottawa-Rideau may continue.

Mrs Y. O'Neill: What concerns me, Mr Speaker, if I may continue, is the definition of the phrase "equitable and reasonably commercially viable" as it applies to the proposed investments. This determination will be left solely under the jurisdiction of the Employee Ownership Advisory Board, a board whose size can range from three to 12 members. Again, the exact number and makeup is going to be determined by regulation some time off in that distant future, at a table which we will not be privy to.

There is nothing in the legislation itself to guide the board in its judgement of the viability of the proposed investment and, as I say, these are investments that are risky. These are investments which must be taken with caution. I believe the word "reasonable" in this context is in itself quite vague. Neither is there anything in the bill to guide the board in its assessment of the commercial viability of a company covered by this legislation.

As every member well knows, in order for an employee-ownership labour-sponsored venture capital corporation to be established, the employees of an eligible business must apply to the Minister of Revenue for certification as the employee group entitled to incorporate such a venture capital corporation. The employee group must represent a majority of employees affected by the proposed investment by a simple majority after a vote. However, Bill 150 gives us no guidance about how these votes are to be conducted, whether or not secret ballots will be required—a very important component. What kinds of information must be circulated to the employees to enable them to make an informed choice? Or what level of support will command the establishment of a venture capital corporation?

I could go on and on about the parts of the vote and the kind of education and information levels that will be given to the employees which I find quite lacking in this legislation. We are all told these details will be spelled out in regulations. Do you see a trend here, Mr Speaker? The word "regulation" keeps coming up over and over again. I believe these issues are of key importance to this legislation. Let's face it, this is an initiation of a different thrust. Such should have been written into the bill itself, rather than demand leaps of faith, as I have mentioned, on behalf of the province.

I am talking about leaps of faith on behalf of the province because as we look at this piece of legislation, the costing of it is quite indefinite. We think there will be quite a pickup in interest in this legislation, but at the moment we have no idea of how it will be financed other than through the general revenue fund or through a loss of revenue on the tax credit side of things. We feel, on this side of the House, that our indications of the estimates are very low indeed. I simply ask that adequate safeguards be put in place to ensure employees are given every opportunity to assure themselves they are being made fully aware of the risks they are being asked to undertake.

Eligible employees who purchase shares will be entitled to receive tax credits, as I have just mentioned, against Ontario's personal income tax but we must bear in mind that these employees are going to be putting their own hard-earned money into these venture capital corporations. Many of these employees will not be experienced in making investments of this nature. That is the root of my concern. Much of the collateral and many of the investment funds will have been obtained by mortgaging personal property and principal residences bought over a lifetime with hard-earned money. In addition, I remind this House that most of the companies involved will be experiencing grave and serious economic hardship. As Bill 150 mandates, the control of the company must change hands if an employee-sponsored venture capital corporation is to be established.

Let us take an example—the first example we have in this province for the implementation of Bill 150—and that is Spruce Falls Power and Paper, which is one of the early beneficiaries of the plan and for whose benefit the government is really making this legislation retroactive. This case points up some of my concerns with the bill. It is very fresh in our minds. As we have read in the newspapers, a very complex deal has been struck between the Premier, Kimberly-Clark, the New York Times, Tembec Inc and an employee ownership group and Ontario Hydro—quite a partnership.

According to news reports, employees of the mill have come up with more than \$11,000 each to invest in the Spruce Falls mill and have created an employee-ownership group. For that, I want to compliment these people who have faith in their own community, in their employer and in the province of Ontario. Eleven thousand dollars is a lot of money to most of these employees. As I have said, many of them have mortgaged long-time earned possessions such as principal residences and are now mortgaging their future, hoping to maintain a viable employee relationship with their employer.

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Now that that deal has been completed and the employees have control of the company, let's look at what it means for the employees. The economic climate coupled with low newsprint prices and changing technologies have made this a very difficult time for the pulp and paper industry. We all know that.

The Spruce Falls mill exists within the difficult economic climate I have just described. First, it has a severely reduced workforce cut by over half to 800 employees. This number will be further reduced to 670. That is a minimum protection for the year 1994, leaving the new ownership liable for all those severance payments—severance payments are expensive—and other benefits owed to employees who lose their jobs. That is not even mentioned anywhere in the description of Bill 150 and this is certainly not going to be unique to the Spruce Falls situation.

The employees in the surrounding communities will be responsible to raise over \$12 million for mill upgrading and modernization, something else that nobody is talking about. The sites of these companies that are having difficulty financially often have to be upgraded. Further investment will be required of the employees.

The business plan calls for the mill to get 50% of its wood fibre from wood chips sourced from local sawmills. The sawmill market is extremely depressed right now, another fact we all know, and there is some question about the future availability of this source of supply. The business plan also calls for more recycled-fibre content in its product. This will negatively impact on the woodlands employees of the mill whose jobs will become redundant as these plans are fulfilled.

Complexity after complexity, and this is just one small example of the difficulties and cautions that must be exercised as we talk about the implementation of this Bill 150. In addition to all of this, there is an outstanding lawsuit in Spruce Falls for \$1.3 billion against the former owners of this mill and the Ontario government respecting 60 years of accumulated environmental damage. The potential impact of this lawsuit on the new ownership is unknown—unknowns, unknowns, unknowns.

This is what the small investors are being asked to take on, to jump in to take risks towards. Professional investors have known for some time that this company was for sale and yet in balancing the risks against the benefits, which is what they do for a living, they did not see fit to make this investment.

But I said I applaud the employees and the citizens of Kapuskasing for their courage. I sincerely wish them every success in this venture but I wonder what will happen to their investments if it fails. Will they lose their homes, their bank accounts as well as their jobs? Will this government be quick to jump in to protect their investments? If so, at what cost—the question I asked earlier. What are the implications of these questions for the Ontario taxpayer?

I therefore believe that the requirements surrounding the disclosure of all pertinent information should be even more stringent in cases of employee buyouts than they are for the more sophisticated professional investor who is accustomed to making informed investment decisions and

is more knowledgeable about what to look for in a potential investment.

Again, these are important investments to employees who participate in the programs we are debating today. They will be investing their own money earned to protect their own jobs. I want the assurance of this government that any information they need to help them to make the most informed decision possible will be fully available to them and I have not been able to find that in this legislation. We have not been made fully aware of the cost of this program, as I mentioned to members earlier.

I have read estimates that the annual cost is \$100 million in lost revenue but I fear that this is only the tip of the iceberg where the taxpayer is concerned. What will happen when the questions that I have just posed present themselves, when the businesses fail—and some of them surely will—when there are lawsuits to settle and severance cheques to pay? We are talking about risky investments. Will the Ontario taxpayer be asked to pay again for these business failures, having already paid for the tax credits of the employee investors?

The second major aspect of this legislation is that it provides provincial-level trade union organizations, and them alone, with the opportunity to establish labour-sponsored investment funds. Each fund will have a board of directors the majority of which will be appointed by the sponsoring labour organization, which is a trade union and will give the union control of the fund.

We understand that individual investors will receive matching federal and provincial tax credits of 20% each on annual investments of up to \$3,500. This part of the program could prove to be an important source of investment capital for small and medium-sized Ontario companies which often have difficulty receiving bank or equity financing, and for that I feel the incentive is good.

However, only unions may incorporate and register labour-sponsored investment funds under Bill 150 in Ontario although that is not the case in other provinces in this country. The organized labour movement in this province is a very important component of Ontario's labour market and we know that. However, only 34% of Ontario's labour force is represented by organized labour. In fact, I have been hearing recently from the government benches that they regret that labour unions do not make up as much of a component of the labour force as had been in the past.

But Bill 150, in any case, even though labour unions may be on somewhat of a decline, restricts the investment funding to trade unions. What this means is that some 66% of the labour force is expressly excluded from this part of Bill 150. Similar legislation exists in both Saskatchewan and British Columbia. In both of these jurisdictions, co-operatives and non-unionized associations of employees are permitted to set up investment funds along similar lines. Since this piece of legislation is directed at small and medium-sized businesses, this is a very significant difference in Ontario's legislation from Saskatchewan's and British Columbia's.

In fact, in Saskatchewan, according to officials there, six venture capital funds have been set up under their legislation and all of them, every single one of them, has been

set up by a co-operative and not by a trade union. It is interesting to note as well that these groups are eligible for a federal and provincial tax break. Why is it possible for Saskatchewan to provide a venture capital plan which meets the federal guidelines and is open to non-union sponsorship when the Ontario government was not able to get the same concession? At least, that is the excuse we were given for limiting this investment opportunity only to trade unions.

I think this inequity must be addressed by this government and I am sure there will be others beyond myself bringing that to the minister's attention. There is no doubt that this government has pretended in the past and continues to pretend that the only workers who count in Ontario are the workers who belong to trade unions. We, on this side of the House, believe we have a strong obligation. Truly, each of us represents all workers whether they belong to trade unions or not. We certainly want to speak on behalf of those not represented in Bill 150 and we want to remind the government that this is 66% of the labour force of this province.

In closing, I would like to say I believe the spirit of this legislation is valid. I hope and trust the minister has heard my concerns and will continue to hear the concerns of my colleagues as the debate continues. The workers of Ontario who are faced with plant closures and the loss of jobs deserve our very best efforts to provide them with the legislation which offers them a full range of informed choices.

I am not sure, as I have said throughout this speech, that there are informed choices, that we truly know what Bill 150 means. I think Bill 150 is a step in the right direction. However, I am not about to take the leap of faith with all of the concerns that I have presented. I do hope that in the course of this debate, some of my concerns will be allayed.

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The workers of this province have been through a very difficult time. We know the unemployment rate is at its highest. We know that the manufacturing industry is shaky and fragile at this moment. Incentives such as this bill can certainly play their role. I do hope, however, that the concerns I have brought forward about the individual risks that will be taken will be well explained and well protected and that this province and the people who will be benefiting from Bill 150 will be well informed of what its implications are.

On that, I close for the moment and look forward to the comments on my remarks.

The Speaker: I thank the honourable member for her contribution to the discussion and invite comments or questions.

Mr Sterling: I hope the parliamentary assistant, who is here with us today, will respond to the member, and perhaps by him responding to the member we can shorten the debate in terms of the points we might raise.

The section which I think the member for Ottawa-Rideau has mentioned as a concern, and which is of concern to our caucus as well, is the go-ahead for an eligible business to be brought into this. It is not quite clear in section 4

of the bill exactly what is required in order for a plan, a buyout or an employee attempt to take over a business.

It is not quite clear from the legislation, either clause 4(2)(a) or clause 4(2)(b)—that is under subsection (1), Mr Speaker; I am sure you are quite aware of this—what is actually required. Is it a secret ballot that is required in order for employees to go ahead and buy or take over a business, or under clause (b) could a union, for instance, unilaterally make a decision to take over a business without having a vote of the employees that were there? At least, that is the way we read clause 4(1)(b).

Those are very, very important questions for us because we do not want to pass legislation here which gives to a very few individuals the power which appears to be given to a great number of people, and the commitment to go into this kind of thing is very, very important.

The Speaker: Further questions or comments? No? The member for Ottawa-Rideau has up to two minutes for a response.

Mrs Y. O'Neill: I guess it is the hour because, particularly when the first or second comments are made on a bill that engages this much change in procedure, there is usually much more discussion, and I hope there will be on another occasion.

I just want to say that I feel we are talking here about a new kind of initiative in this province, and I still find great difficulty with the role which the unions are going to play in the investment funding portion of the bill. What we are asking for here is the subsidizing of investors because we all know that we are giving tax credits in that subsidization in an indirect way or perhaps even in a direct way.

We are also talking about a loss of revenue. We know there are going to be risks taken and we know there are protections built into other pieces of legislation that will mesh with this. The subsidized investor, in any case, has to be a union member. If you are not a union member, this bill and the investment portion of it does not apply.

It certainly reduces the flexibility of the bill and, as I indicated earlier, this bill, particularly the investment corporation part of it rather than the buyout section, is geared to small and medium-sized businesses. As we have indicated, often these are businesses within a community that are not unionized. There seems to be some kind of conflict, or at least what I would suggest is not a very focused initiative, to help those businesses which this government says are of interest to it. I feel very strongly that there are some misconceptions about Bill 150.

I am worried also that the workers will not have all the information they need. Naturally, they will all be in a fragile decision-making mode when they know their company is going to go under if they are not co-operative in mortgaging their futures. I hope these cautions will be explained and given every consideration.

Mr Sterling: As it is about four minutes to the hour we are quitting, I would like to move to adjourn the House at this time.

The Speaker: Perhaps this would be an appropriate place for the member for Carleton, who now has the floor, to pause in his contribution. It being almost 12 of the clock, this House stands adjourned until 1:30 of the clock tomorrow afternoon.

The House adjourned at 2356.

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Ontario

100A 1991

100A 1991

ISSN 1180-2987

Legislative Assembly of Ontario

First Session, 35th Parliament

Official Report of Debates (Hansard)

Tuesday 17 December 1991

Assemblée législative de l'Ontario

Première session, 35^e législature

Journal des débats (Hansard)

Le mardi 17 décembre 1991

Speaker
Honourable David Warner

Clerk
Claude L. DesRosiers

Président
L'honorable David Warner

Greffier
Claude L. DesRosiers



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LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday 17 December 1991

The House met at 1330.

Prayers.

MEMBERS' STATEMENTS

GOVERNMENT OFFICE BUILDING

Mr Cleary: Many of the members will recall that on December 3, I asked the Minister of Government Services to confirm the location of the Ontario government building that was announced for Cornwall in May 1990. I might take this time to note that the Premier is also directly aware of the situation, as I provided him with press releases and memoranda on December 4, 1991.

At that time and since, the Minister of Government Services has appeared confused on the matter by stating that he cannot and will not confirm the site selection. He also has yet to respond to meeting requests I made on September 12 and December 9.

I stress again that the city of Cornwall and the Downtown Business Improvement Association have each clearly marked the preferred site as downtown between Second Street and Third Street, west of Pitt. As a result, the city of Cornwall was told by government officials in my presence to clear the titles on that parcel of land. I stress to the minister that the commitment was made for the provincial government building over 19 months ago. Decisions have been taken and promises have been made.

This project is crucial to the economy and lifeline of the greater Cornwall area. I implore the minister to follow through on commitments made by his own ministry.

LABOUR RELATIONS

Mr B. Murdoch: Businesses in my riding are worried. They are afraid that if this government goes ahead with any or all of the programs that are presently being discussed, they will have no choice but to leave Ontario.

If labour is not worried too, it should be, because although the NDP takes direction from the unions, it does not really seem to care much about the ordinary worker. It seems to forget that labour cannot survive without business. It seems to forget that it really does not matter what sort of wage scale or working hours or anti-scab rules you negotiate or legislate, because if the companies close down and move to a more hospitable area where they are welcome and not seen to be oppressors of the masses, there will be no more jobs for these union employees.

Although I know government members have been brainwashed into believing that the industry is merely bluffing and that there is still no place they would rather be, businesses are and will be leaving this province. There is only one solution: Business and labour must work together, as they are going to try to do in Owen Sound, to lobby cabinet. It is my hope that both sides can work together and find a compromise and a common ground so that our area will not lose its industry and our workers will not lose their jobs.

COMMUNITY SERVICES

Mr O'Connor: During this holiday season we have become more aware of the plight of those less fortunate than ourselves. It is at this time of year that giving to others becomes so important. We should remember to support those organizations that provide help throughout the year.

On behalf of the residents of my riding, I would like to thank Mary Queen from the Georgina Food Pantry in Sutton and Rita Gould from Loaves and Fishes in Uxbridge for their hard work; also Robin Magee at the Stouffville Food Bank and Steven Hurst-Boram at the Brock Food Bank. They deserve a big thank you, and our continued support as well. I encourage everyone to give generously to these organizations, which provide food to those who need it. Anyone requiring more information can call my office.

I would also like to encourage people to give generously to their local Red Cross blood donor clinics. This is a gift of life that continues giving even beyond the season. In my constituency, a blood donor clinic will be held at the Lakeview Manor in Beaverton on Thursday, December 26, between noon and 5 pm.

In closing, I have saved the best news for last. Yesterday I received confirmation of the Women's Shelter of Georgina Inc being successful in obtaining a house for abused women in Georgina. I wish to offer my congratulations to the group for a job well done. I would also like to thank the many constituents who have contacted me in person or by mail and the residents of Georgina for their support given to this project. The shelter will be located in Jackson's Point and should be operational by April 1992.

TIMBER MANAGEMENT

Mr Miclash: My statement is in regard to forest management agreements. We know that the only documents that allow the public to examine how timber management is done on much of Ontario's crown land are grossly late at this time.

Forest management agreements, or FMAs, were initiated in 1979. In addition to harvesting, the companies that are FMA holders are responsible for all planning, regeneration and other silvicultural activities. Forest management agreements cover over 175,000 square miles, or approximately 69% of Ontario's licensed forest.

Every five years, the minister must evaluate how the company has carried out its FMA obligations. These five-year reviews are supposed to be tabled in the Legislature. These documents are crucial, being the only public documents that allow people to decide whether this portion of the forest estate is being properly managed.

Of the 28 existing FMAs, 17 five-year reviews are overdue. It is understandable that some preparation time is required, but this list and delay are much too long. There are four reports from 1989 that are due, an additional nine

from 1990 that are late, and four reports from 1991 that are now overdue.

Simply put, over half of the FMAs' five-year reviews are overdue. These documents are one of the few means the public has of assessing success or failure of this program. In all instances, permission to continue operating has been granted to the companies without the public having access to the reports. I ask the minister, when will we see the five-year reviews?

RIDEAU REGIONAL CENTRE

Mr Jordan: A funeral in Smiths Falls recently was attended by a large percentage of the people in that community. Fortunately for the area, it was a mock funeral with Rideau Regional Centre staff, Mayor Laurence Lee and other municipal officials conducting a dramatic ceremony that could realistically happen in the future. The mock funeral represented the death of Smiths Falls, Perth, Carleton Place, Almonte, Pakenham and the surrounding townships such as Montague, North Elmsley and Beckwith, just to mention a few.

This hard-hitting message is a signal to the government that staff at the Rideau Regional Centre and the community fear for the economic future of the region. This fear was realized by 24 contract staff whose contracts were cancelled as of December 15.

A multi-year plan is in place to eliminate the Rideau Regional Centre. Communities like Smiths Falls and people like those who work at the Rideau Regional Centre are being left in the dark while this government silently struggles on with no plans for the 400-acre site.

What will happen to the close to 1,000 residents? Who will be responsible for them? What will happen to the 1,000 employees? Will the government make use of the multi-acre site and the highly maintained facilities? Are plans being made now so Smiths Falls and area does not die a quick death?

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HEALTH SERVICES

Mr Frankford: It is a source of pride to us that health care is a right in this province and this country. The fact that this produces a system of care also significantly cheaper and more effective than the chaotic free-market system south of the border is getting increasing attention there.

Published studies by physicians, notably Dr Steffie Woolhandler and Dr David Himmelstein, show the appalling waste and bureaucratization of care in the United States. Literally billions of dollars that could be spent on effective patient care are wasted on administration and paperwork. This situation is becoming as intolerable to practising physicians there as it is to the general public.

The fight for national health insurance in the US is producing growing coalitions. Not only is it supported by consumers, unions, retirees and professional groups such as the 1,000-strong Physicians for a National Health Program, but major corporations there are having to admit that the expense of the current system contributes to making them uncompetitive in the global economy. Politically the

issue is revitalizing debate there. It is high on the agenda of presidential candidates.

I would like to recognize a number of my Ontario colleagues, hardworking specialists and GPs who took time off from their busy practices to go on a speaking tour sponsored by the Democratic Socialists of America. Dr Gord Guyatt, Dr Haresh Kirpalani, Dr Mimi Divinsky, Dr Don Woodside and Dr Rosanne Pellizari are just a few who took the message that the Canadian health care approach is an achievement we are most proud of.

RED HILL CREEK EXPRESSWAY

Mr Mancini: I rise today to mark the first anniversary of the decision by the NDP government to cancel funding for Hamilton's Red Hill Creek Expressway.

In doing so, I am joining with many other groups and associations that have been fighting the government's decision for the last year, including the Citizens' Expressway Committee, the Hamilton and District Chamber of Commerce, the Metropolitan Hamilton Real Estate Board, the local chambers of commerce, the Labourers' International Union of North America Local 837, and local municipal councils in the Hamilton-Wentworth region.

Over the last year, the NDP government has failed to find any alternative to the cancelled Red Hill Creek route. In fact, it was not until the middle of the recent municipal election campaign that the NDP even announced a framework for identifying alternatives.

We were surprised to hear the minister say that the previous route through the Red Hill Creek would also be considered under the review. Unfortunately, the minister said his government would not be bound by the results of this study. Why would the government spend the time and money it is putting into this review if it is not going to make a decision based on the review's recommendations?

If the review shows clearly that the Red Hill Creek Expressway should be built, as was designed and approved by the previous Liberal government, I urge the new Minister of Transportation to give this lifeline to the Hamilton area because it needs it for its future.

AIR AMBULANCE SERVICE

Mr Cousens: The relocation of the air ambulance service from Buttonville airport to the Toronto Islands will put lives at risk and cost the taxpayers money for an unnecessary move. The Ministry of Health believes the move will result in savings, a monetary saving of \$155,000 and time savings because patients will be closer to hospitals. The ministry's arguments cannot be based on facts.

Fact 1: The relocation will offer no patient benefits. Over 75% of all helicopter calls originate at locations closer to Buttonville airport than at the Toronto Islands. This makes sense because of the rural and outlying areas that are serviced by air ambulance such as Peterborough and Bracebridge. Relocation of the air ambulance service to the Toronto Islands increases the response time by about 10 minutes. Ten minutes could mean a lifetime.

Fact 2: There are no real cost savings. The proposed saving of \$155,000 is irrelevant since the new hangar at the Toronto Islands will cost over \$1.5 million to construct.

Finally, the Minister of Transportation is negotiating to keep Buttonville airport open. On the other hand, the Ministry of Health is taking away one of the most important services at the airport. It appears these negotiations are being conducted in bad faith. Moving the air ambulance service does a disservice to everyone, patients in need and taxpayers who will bear the cost of an unnecessary relocation.

SEASON'S GREETINGS

Mr Mills: Last week I was visiting a couple in my riding who were celebrating their 45th wedding anniversary in Pontypool. During the conversation they brought out a picture of their family and they said to me, "You know, Mr Mills, we in Ontario have a lot to be thankful for."

I echo those sentiments, and today I rise in the House to encourage the members opposite in both opposition parties, who constantly hammer this government with doom and gloom, to step aside from this rhetoric and look at themselves and ask themselves if they have not got something to be thankful for, being in Ontario.

While I am on my feet, I would like to say to all the viewers who watch us across Ontario, may you have a happy Christmas and a safe one. To everyone who provides the television in this House so that everyone in Ontario can take part in the proceedings here, I say to them thank you, and a happy Christmas to you and all the staff. Happy Christmas and may you have many more new years.

VISITOR

The Speaker: Before beginning question period, members may wish to join me in welcoming to our chamber this afternoon a former member of the assembly seated in the members' gallery east, Mr Mike Dietsch, the former member for St Catharines-Brock. Welcome.

ORAL QUESTIONS

MINISTER'S COMMENTS

Mr Conway: My question today is to the first minister. Yesterday the Premier indicated to this Legislature that he was not opposed to a legislative investigation of the so-called Martel affair.

I would like to begin this afternoon's questions by asking the Premier to update this Legislature on his response to the member for Nipissing's request that there be a legislative inquiry into this matter—a request to which he said yesterday he was not opposed—and whether or not he could indicate in that first response, having regard to the gravity and sensitivity of this question, should a parliamentary inquiry into the Martel affair be undertaken, that surely he would be prepared to agree that at least, in so far as that inquiry is under way during that time at least, he would ask the Minister of Northern Development to withdraw from the cabinet.

Hon Mr Rae: I am sure the member knows, from his discussions with his colleague the House leader for the Liberal Party, that discussions are still under way between the House leaders with respect to the proposal that was put

to our House leader. The position I have taken is to encourage the House leader to see if we cannot agree on the terms of reference for a committee. These things—the questions of the terms of reference, the makeup and so on and the scope of inquiry of the committee—are now being discussed, but the principle of there being a committee is something the government accepts.

Mr Conway: That part of my question which the Premier carefully avoided is of course the one I want to return to; that is, in the event there is a legislative inquiry agreed to, will the Premier insist that the Minister of Northern Development, as a very minimum, withdraw from the cabinet for that period of time during which the legislative inquiry is under way?

I ask the question having regard to what the member for St Andrew-St Patrick did just a few weeks ago in this Legislature in tendering her resignation pending an examination of the rental question that was causing both her and the government some difficulty inside this Legislature.

Hon Mr Rae: The answer to the question is no, and I think the situations are quite different.

Mr Conway: Again we are left with the troubling question of what kind of standards the Premier has with respect to conduct within the executive council. I raised the question earlier of what the honourable member for St Andrew-St Patrick did, which I thought was the honourable thing. It was just a few years ago that my colleague the member for Oriole, faced with allegations concerning her husband—which made no suggestion, as I recall them, that the honourable member for Oriole had personally behaved in a discreditable way—but in June 1986, in the face of bitter recrimination from the leader of the now government, the then Minister of Government Services and Chairman of Management Board withdrew from the cabinet pending a legislative inquiry.

Having regard to the Caplan precedent, having regard to the Akande precedent, having regard to the Gigantes precedent, having regard to the high-flown rhetoric of the Premier himself a year ago that he would be tougher in the application of these higher standards, how is it possible that he can, in the face of this controversy and in the face of a likely legislative inquiry, expect to have any credibility as a first minister or as leader of a government if he does not minimally ask the minister to withdraw for at least the period of time that the legislative inquiry is under way?

Hon Mr Rae: I have listened to the honourable member over the years and I would say if anybody could write a book on high-flown rhetoric, it is the member for Renfrew North. As I have said, there are negotiations under way and we certainly hope these negotiations will be successful.

1350

ONTARIO ECONOMY

Mr Bradley: I have a question for the Premier. Tomorrow, General Motors will be announcing its restructuring plans worldwide, which means that some of its operations will remain open and some of its operations will close.

One of the significant factors that will determine the future of General Motors plants in Ontario will be the climate for investment in this province. That is where the Premier's responsibility lies. That is where he and his government can make a difference.

What specific measures are the Premier and his government taking to make certain that GM keeps its plants in Ontario open? What steps is he taking to ensure that GM auto workers in this province will have their jobs at the end of his term of office?

Hon Mr Rae: I spoke with Mr Peapples this morning and I have had an ongoing discussion with him and with officials in his company. Policy and priorities committee discussed it yesterday and cabinet will be discussing it tomorrow. It is of sufficient significance that I am telling the member directly about it. He will be familiar with the problems that arose from the pension solvency regulations that were brought in by the previous government, of which he was a member. These pension solvency regulations, combined with other features of Ontario law, have placed an enormous potential burden on General Motors, as well as on a number of other manufacturers in the province.

Under the guidance of the Minister of Financial Institutions, the province is attempting to respond to this question very directly. I indicated that to Mr Peapples this morning with respect to an issue that has enormous impact on the operations of General Motors in Ontario as an issue that has been in contention between previous governments and General Motors and between the Pension Commission of Ontario and General Motors for some period of time. I can tell the member that is one very specific thing which this province is looking at because of the need for us to provide a competitive climate for General Motors.

I would say very directly to the honourable member that we are obviously concerned and we are dealing directly with the issues as they arise, but there has been a significant downturn in the overall North American economy with respect to car manufacturing and this is a reality that faces this jurisdiction as it does every other jurisdiction in North America.

Mr Bradley: I would like to deal with that reality with the Premier at the present time because the deciding factor in GM's decisions over the next several months and over the next few years may be the attitude of the NDP government towards business and the impression that its policies create in the minds of hard-nosed executives who must choose a location of the placement of their investment for, if not the next few years, certainly the rest of the decade.

In the interests of 38,000 automotive employees in GM plants in this province, in the interests of communities that rely heavily upon GM investment for their economic viability, in the interests of the economic future of Ontario, will the Premier abandon the policies, taxes, legislation and regulations that are promoted by radicals within the NDP and produce a favourable climate for investment so that these jobs can be saved and not sacrificed on its ideological altar?

Hon Mr Rae: When I talk to business executives across the province with respect to problems of competi-

tiveness, I would say to the honourable member that more frequently than not, they turn to me and say I have inherited a tremendous problem with respect to the economy of this province, with respect to the regulatory climate in this province and with respect to taxation in this province. The member shakes his head.

Interjections.

The Speaker: Order.

Hon Mr Rae: The member cannot escape the fact that the regulatory burden, the tax burden and the tremendous problems facing manufacturing in this jurisdiction stem from decisions that have been made for governments over many years, of which he was a member and others have been members. We have to face up to that reality. Hard-nosed executives know full well the difference between political rhetoric, such as we are hearing from the Leader of the Opposition today, and the hard facts and the experience of Ontario over the past decade with respect to previous governments.

Mr Bradley: As members of the opposition, we can always tell when we have managed to get under the skin of the Premier because he starts shouting and pointing his fingers at everybody else. When we listen to Ken Harrigan of the Ford Motor Co of Canada, for instance, he suggests only one government is uncompetitive.

With sales dropping drastically and competition increasing almost on a daily basis, taxes and the cost of doing business in Ontario are specific factors that will influence the major decisions of General Motors of Canada Ltd. To create a favourable investment climate and encourage the sale of automobiles in this province, thereby putting on the roads more fuel-efficient and environmentally superior vehicles, will the Premier now withdraw the new tax on automobiles, the tax I refer to as the tax on auto workers, and will he announce the immediate removal of the sales tax from autos sold in this province?

Hon Mr Rae: The suggestions that are being made by the honourable member are suggestions that obviously any responsible government would want to consider. I can tell him that whenever we look at the impact of a sales tax reduction, one of the realities we face is that the impact is not necessarily directly related to the impact of the revenue lost. In other words, we do not necessarily get the extra production and the extra job creation in Ontario in return for the revenues the Treasurer gives up with respect to that kind of measure. But I can say to the member that any practical suggestion he has will of course be considered by the government.

MINISTER'S COMMENTS

Mr Harris: To the Premier, I want to come back to the fundamental issue that we have been dealing with the last little while. A minister of the crown, acting in her official capacity at a public reception, deliberately lied, or so she says. She smeared a doctor's reputation in order to defend a government policy. A member of her staff phoned Thunder Bay and tried to silence a councillor and cover up the issue. The minister did not apologize or retract her statements until three days later, only when the issue became

public, only when she got caught and only when the coverup was not going to work. This itself is not acceptable. These facts alone warrant her resignation. I ask the Premier one more time, will he ask the minister to step aside?

Hon Mr Rae: The leader's characterization of the facts is, if I may say so, personal to him. I would say to him very directly that the question of what other steps the House can take to deal with any issues arising from what has taken place are now being negotiated between the House leaders. That is where I will leave the answer.

1400

Mr Harris: Let's be clear. What I outlined to the Premier were the facts as have been relayed by the minister. If he does not believe them now, I understand his having some difficulty; all of Ontario is. By allowing this behaviour to go by with a wink and a nod, he is sending a very wrong message to the rest of his cabinet. He is telling them it is okay to lie and slander for the sake of defending government policies.

What are the other cabinet ministers saying that has not been brought to our attention? Because only when this could not be covered up was there an apology and did it come to our attention. What are the others saying? What are they saying in receptions across this province about private day care operators, about landlords, about hunters and anglers, about small business people, who very strongly oppose the direction his government is going in? That is what else we want to know.

Hon Mr Rae: Just in answer to the preface, since I can only assume the latter part of the question was rhetorical, I would say to the member that if he thinks what has happened on this side or that the response from this side has been a wink and a nod, he has a very different interpretation of events than I do.

Mr Harris: By defending an admitted liar and slanderer, the Premier is tarnishing the reputation of every member of his government and indeed of every member of the House. All of us have a stake in this issue because it brings into question the credibility of all politicians. He knows that. We have discussed this on many occasions, he and I, when we were in opposition. We do not chat quite as much now that he is in government. I ask him directly: Given the facts as have been outlined by his minister, not by me but by his minister, would he have accepted this standard of conduct from either Joan Smith or her boss of the day, David Peterson?

Hon Mr Rae: I can only respond to the member by referring to what has taken place. The minister has recognized that she made a very serious error of judgement. We have all recognized that. She has apologized for that, and I think we all appreciate the fact that the minister obviously feels badly for what has taken place. As I say, that sense is very strongly there.

Interjections.

The Speaker: Order.

Interjections.

The Speaker: With the co-operation of the member for Renfrew North, we can continue with question period.

Mr Harris: Last December the Premier brought down what he said were the toughest guidelines in history. He said on December 12, 1990, "It is to be our governing principle that we must at all times act in a manner that will not only bear the closest public scrutiny but will go further and ensure public confidence and trust in the integrity of government."

This is what the Premier said when he was in government, not when he was in opposition. I do not know why it should be different, but the Premier and his party thinks they are entitled to do that. I do not. But this is what he said when he was in government about his guidelines. When the Premier made that statement, was it his intention to exclude lying and slander?

Hon Mr Rae: My intention was to indicate to the public that we obviously expect a high standard of conduct from people. We also accept the fact that people make mistakes and can apologize for their mistakes.

Mr Harris: When all the dust has settled there will be one issue left at the heart of the Martel affair, and that issue rests with the Premier. It is the issue about his standards of conduct for his cabinet. With the Premier's record of flip-flops, we have no idea what those standards are. Could the Premier tell us why he fired the member for Welland-Thorold when he posed as a fully clothed Sunshine Boy yet he is defending an admitted liar and slanderer?

Hon Mr Rae: I have indicated already in the House in answer to a number of questions over a period of time the judgement I have exercised with respect to the conduct of the member for Sudbury East. The member for Sudbury East has very much apologized for what has taken place. The House leaders are now discussing what else might happen and I will leave it at that.

Mr Harris: I think the Premier is going to want to continue to reflect today on the signal he is sending out on the standards, on what this is doing to the impression of all politicians by the public of this province. Indeed, it is a problem across the country, but we are dealing with what the Premier can do about it in trying to elevate and correct this loss of confidence that the public has in politicians.

If the Premier is not going to change his position—and I honestly hope he will reflect on that again today—does he not think he should be clear and up front, take his guidelines, rip them up, tell us they are scrapped, rewrite them and in essence say, "You can do whatever you want, lie, slander, whatever you want, as long as you apologize afterwards"? That is the signal the Premier is sending out as acceptable conduct for the Bob Rae cabinet.

Hon Mr Rae: The question from the honourable member is a very rhetorical one, but I simply reply to him as directly as I can and say to him with respect to what has taken place—he referred to it as a nod and a wink—I do not think that is what has taken place. I do not think any reasonable person would interpret that as what has taken place over the last period of time. If that is the interpretation of the honourable member, it is certainly not the one that I share.

1410

SKILLS TRAINING

Mr Ramsay: My question today is to the Minister of Colleges and Universities. While we have all been distracted by the Martel scandal, the government's economic policies are continuing to drive this economy into the ground. As the minister will be aware, our unemployment rate is 9.6% in Ontario; it seems to be stuck there. We have more than 485,000 people out of work in Ontario today, and what we have seen in November is a shrinkage of the workforce, meaning that people are giving up even looking for work. They do not have any prospect or hope.

Earlier this month the government announced its new training board, which is supposed to be the NDP's policy for training people, but the board is not actually going to be up and running for another 12 or 18 months. I would like to ask the minister, why is the government taking so long in getting this training board up and running? Is this the priority the government places on the value of retraining Ontario workers?

Hon Mr Allen: I think perhaps the member does not appreciate the scale of reconstruction of training activity in Ontario that is entailed by the creation of the board. There are, for example, 10 ministries that offer 48 different programs of training that will be brought together under the jurisdiction of a new board, pending the consultation and the fine-tuning of the model we have proposed. Also, there will be 57 community industrial training committees of various kinds across the province whose activities will be subsumed under a new set of regional boards functioning under the federal and provincial governments in co-operation.

That is a very mammoth undertaking. It will mean that some \$500 million of programming will move under the jurisdiction of the labour market partners in alliance with the government. While we are proceeding on that basis, we are not in any respect short-circuiting, limiting or holding back expansion of existing programs, but at the same time, setting up this board's structure is a very major undertaking, one of the largest of its kind that is happening in North America.

Mr Ramsay: I would like to get down to some specifics with the minister. As the minister knows, the jobless situation is bad all over, but I would like to focus for a minute on older workers.

By this October, more than 50,000 workers between the ages of 25 and 44 lost high-paying, full-time jobs right across this province. As the minister and other ministers would be aware, many of those people lost those jobs in remote communities across this province attached to natural resources industries.

They need new job skills quickly. This is imperative. These people need these skills today in order to get on with some hope of attaining some new work. Only by receiving these new jobs are they going to have that hope. Yet the government had fiddled around for a year before getting this board going. Now the NDP has announced the board, but it will not be up and running for another year.

Why has the government hung out the older workers to dry? What can they do today for older workers in Ontario?

Hon Mr Allen: We in fact are doing a good deal in many of the hard-pressed communities. For example, at the Sault we have a very special program we have worked out for several hundred workers of the description the member has offered with the Canadian Steel Trade and Employment Congress in order to enrol laid-off and older workers in new training programs. We are actively in discussion with various groups in Kapuskasing to do the same thing in Kapuskasing. We have a special million-dollar laid-off worker program that provides resources for other colleges across the system.

Of course, there are the agreements with the federal government in the older worker program and under Transitions that make also it possible to address their needs, as well as all the activities of specific adjustment committees that are taking place where the federal and provincial governments work to put workers at risk back to work in new work situations where they can be found. Those activities are all active and ongoing and even expanding at this point.

MINISTER'S COMMENTS

Mr J. Wilson: My question is for the Minister of Health. Would she tell us who besides herself has access to confidential OHIP billing files of individual doctors?

Hon Ms Lankin: When I took over the portfolio as a result of the incident that took place with the previous Minister of Health, I made it clear to the bureaucracy that I wanted information provided to my office on a need-to-know basis and that I did not want information of a confidential nature to an unnecessary level of detail.

I have not seen any confidential information with respect to any physician's billing practices, although it is very clear I could have access to that if I chose to. Within the ministry, anyone who needed that material for the purpose of doing his or her job could have access to that material.

Mr J. Wilson: Would the minister tell us why, then, on December 5 her deputy minister, Michael Decter, told the press, "In fact, I do not even have access to billing files of individual doctors"? Clearly this is not true. Why would the deputy minister say that at that time?

Hon Ms Lankin: At this point in time it would be speculation. What I assume he was talking about was that he had not had access. It is not a question that he could not have access if he chose to and required that information.

I think also it is fair to clear up some speculation that has gone on with respect to access to information. For example, in question period earlier this week the member for Parry Sound asked the Treasurer whether or not he had seen any confidential information with respect to physicians' billings or whether or not he had heard of any confidential information about charges or investigations. I asked the member for Parry Sound at that time to put the question squarely to me as well. He declined, with some sense of humour. Let me say to him that had he asked me that question then or if he asks me today, my answer to both those questions would also be no.

TRANSPORTATION STUDY

Ms Haeck: My question is for the Minister of Transportation. I have a mayor in my riding, Mayor McCaffery, who represents the city of St Catharines and who refers to this city as the transportation capital of the province. I know the citizens of St Catharines, the mayor and other people in the region would be extremely interested in knowing about the comprehensive transportation study the Ministry of Transportation has undertaken in the Niagara area. At this point, I would like to ask about the status of that study, the parameters, the time frame and the completion date particularly, if I may.

Hon Mr Pouliot: It is nice to get back to issues-related questions, and of course the member's is so relevant. I have some good news for the member. MTO, the Ministry of Transportation of Ontario, will start a strategic plan study to review all transportation in the Niagara Peninsula next month, January 1992. The work will be done by MTO. We are not going to contract out. We can do it ourselves; we have tremendous resources. It will be the first in a new generation of transportation plans.

What will it do? What will it study? It will study the social, environmental and economic needs in the context of transportation. Yes, we will look for integration. The member has asked who will be consulted. All groups in society will be consulted.

An hon member: Great news.

Hon Mr Pouliot: Good news indeed; 18 months and we will have an answer. They have been neglected in the past decades. We are trying to rectify this endeavour.

Ms Haeck: I am quite sure the Minister of Transportation would be very happy to learn that as of a few minutes ago we had the new regional chairperson, the new mayor of Niagara-on-the-Lake and another representative of regional council representing Lincoln in the members' gallery. I know those members of my community are going to be very happy to know if rail is going to figure in the minister's study.

Hon Mr Pouliot: That is a tough question. This administration does not act with prejudice. Not only will all groups be consulted, but we will look at municipal, provincial, federal, and yes, even private modes of transportation. We will look at rail. The focus here is to move goods and people in the Niagara Peninsula.

The Speaker: New question, the member for York Centre.

Mr Sorbara: For those who want a translation of that answer, apparently MTO is not moving to St Catharines. I have a question for the Treasurer, if the Minister of Transportation will take his seat.

Hon Mr Pouliot: On a point of order, Mr Speaker: I hope that on this eve of Christmas this is not the tone that will prevail, for humour does not become the member.

Mr Sorbara: I say to the minister that evasion does not become him.

1420

NORTHERN HEALTH SERVICES

Mr Sorbara: I have a question for the Treasurer, who told me earlier on today that he was in his riding of Nickel Belt this weekend. I was in the Sudbury region this weekend as well. From conversations I have had, I have discovered the real problem that has given rise to the Martel crisis, or the Martel affair. In discussions with the people of Sudbury, other people in the north and representatives of the medical community, it is apparent beyond a doubt that there is a medical crisis in northern Ontario that has been unparalleled in the history of this province.

Is the Treasurer aware that medical specialists are now packing up and moving out of Sudbury, Sault Ste Marie, Timmins, North Bay and Thunder Bay? Indeed, the kind of environment currently affecting specialists in northern Ontario was probably the powderkeg that gave rise to the fact that the Minister of Northern Development somehow was under such extreme pressure that she blurted out lies and slanders in the midst of a cocktail party in Thunder Bay.

I simply want to ask the Treasurer not to refer the question to the Minister of Health but to answer directly whether he is aware that his policies as Treasurer, as well as the policies of the Premier and of the Minister of Health, are creating a very serious medical crisis in northern Ontario?

Hon Mr Laughren: I do not believe in encroaching on my fellow minister's jurisdiction. I will refer the question to the Minister of Health.

Hon Ms Lankin: I think the member is right when he indicates that the concern with respect to the application of the threshold on the billings of specialists in northern Ontario probably gave rise to the very explosive and heated situation in which debate in the media and in the medical society was taking place over the last number of months. I agree with him directly on that. I would say, however, and I have said this on a number of occasions, that I think the level of debate and discussion that arose from that came from a level of misunderstanding that needed to be corrected. We have spent some time trying to do that.

Also, the member should know that we are in active discussions about the application of the underserved area program, on how to make it work better. I can tell him that over the years the program was in place when his government was in power, tremendous strides have been made with respect to general practitioners and family practices. In the area of specialties, however, there is a long way to go. We think we can refocus the program and shift the resources to support that, to try and ensure that we maintain and enhance services in northern Ontario.

Mr Sorbara: It really disappoints me that the Treasurer would not have the courage to speak to his constituents in Nickel Belt and the Sudbury region. I ask the Treasurer, through the Minister of Health and through you, Mr Speaker, whether he remembers a report called Operation Critical. I say to the Minister of Health, by way of supplementary, Operation Critical is the Report of the New Democrat

Task Force on Northern Health Care Issues. It is signed by Bob Rae, then Leader of the Opposition, Howard Hampton, Floyd Laughren, now the Treasurer, Shelley Martel, Gilles Pouliot and Bud Wildman. It says, "The chronically ill health care system in northern Ontario has taken an acute turn for the worse."

That was a year and a half ago. The doctors in Sudbury are saying: "It's much worse now. Specialists will not stay. They're leaving. They're going to Toronto, to New York state, to Los Angeles because of the policies of the Treasurer and his government." I want to ask him directly, has he read this report? Does he know the commitments the New Democratic Party made to improve health care service in northern Ontario? Is he going to stop what he is doing now so that specialists will stay in the north and give the people of northern Ontario the service they deserve and the service these members who served before he was elected promised to give them?

Hon Ms Lankin: I am very well aware of the statements and the commitments that have been made by our party with respect to northern health care. I am personally very committed to it. The question was put through you, Mr Speaker, and through me to the Treasurer, whether he is aware of that document. I know he is aware because he speaks to me about northern health issues regularly. He is an advocate and a fighter for northern health issues, as is the Minister of Northern Development, the Attorney General and all the other members. If the members look around me here, I hear often about northern health issues.

Mr Sorbara: This document was a lie, talking about lying.

The Speaker: The member for York Centre—

Mr Sorbara: I referred to a document, sir. A document can misrepresent things.

The Speaker: It really would be helpful for the atmosphere of the chamber if we did not throw words like that around.

Mr Sorbara: I will withdraw my reference to this document being a lie and simply say that it is really the high-blown rhetoric the Premier referred to in the answer to the question from my friend the member for Renfrew North.

The Speaker: Well, "rhetoric" is certainly better than "lie." Could the minister succinctly conclude her response.

Hon Ms Lankin: I barely got started, but let me try and do it succinctly. The issues facing delivery of services in northern health care are serious and continue to be serious. We are working on the issue of the underserved area program. We have supported residencies for family services in the north. We are looking at ways of trying to improve services in northern Ontario. We remain committed to that.

Interjections.

The Speaker: Order.

Hon Ms Lankin: I appreciate the continued concern of the member opposite, the member for Kenora and members from other areas who talk to me about these issues.

Issues of equity and distribution of resources and physician services are important, but we are not going to get the answers by simply saying that when a doctor threatens, because he cannot make all the money he would like to make, we are going to just give a snap answer. We have to look behind that. We have to sit down and talk and we have to address the issues where they are serious and legitimate.

MINISTER'S COMMENTS

Mr Stockwell: My question is to the Premier. On July 2, 1986, he said: "What difference does it make what guidelines exist if the Premier is not prepared to do what is necessary to see that those guidelines are enforced? What good are any guidelines if at every occasion the Premier is simply going to wash his hands and say: 'It is not up to me; it is up to the people of any given constituency to decide'?" When the Premier said these words, did he mean them? If he meant them, what the hell is he doing?

Interjections.

The Speaker: Order. When the House has come to order, then we can continue with question period.

Perhaps in a calmer moment the member for Etobicoke West could find a different phrasing for the latter portion of his question.

Mr Stockwell: I will replace it with the word "heck," Mr Speaker.

Hon Mr Rae: We are trying to respond to a number of questions that have been asked by members. We are having negotiations among House leaders to try to reach a resolution of the questions that are in dispute between us. We recognize that a minister of the crown has made a mistake in regard to a conversation she had. She completely apologized for that.

Interjections.

The Speaker: Order.

1430

Mr Stockwell: I asked the Premier, did he mean these words? That is the question that is on everybody's lips on this side of the House. Did he mean what he said when he was on this side of the House? He has an opportunity to prove it. He has a member in his cabinet who has admitted to lying and to slandering a doctor.

He had very clear alternatives in the Joan Smith affair. He had very clear alternatives in any number of affairs when he sat on this side of the House. The question is, did he mean what he said? Did he mean it when he stood up here and said these lovely words, or was it just rhetoric? The question stands: Did he mean these things? If not, he should tell the people of Ontario that everything he stood for on this side of the House was nothing but a phoney attempt to get himself elected as Premier. He should tell them.

Hon Mr Rae: I think I got the gist of the question. I would like to respond to the honourable member simply by saying that the circumstance that we are facing and that we have been facing for a time is that we are dealing with a situation in which the minister has clearly apologized for what took place in the conversation with Ms Dodds and

has indicated that she has made a mistake. And, as I say, there are still discussions going on among the House leaders.

TORONTO WATERFRONT

Mr Marchese: My question is to the Minister of the Environment. As a result of the International Joint Commission 1985 report on Great Lakes water quality, Ontario, in co-operation with the federal government, agreed to develop remedial action plans, or RAPs, as they are more commonly known, to restore the use of water in the areas of concern.

I know that a draft discussion paper on remedial action was released in April last year, to be reviewed by the public advisory committee, and a major workshop was held to draft a strategy working paper.

Interjection.

The Speaker: The member for York Mills, come to order.

Mr Marchese: My question is, what is the status of that paper and what news can I bring to my constituents on the progress that is being made on the Metro Toronto waterfront RAP?

Hon Mrs Grier: The member is quite correct that a great deal of voluntary effort by all the agencies concerned with the Toronto waterfront has gone into the preparation of remedial action plans. I am pleased to be able to tell him that the Metro Toronto remedial action plan has released its draft report, which is called *Strategies for Restoring Our Waters*.

This report lists 16 principles by which to evaluate options for remedying the damage that has been done to Metro Toronto's waterfront over 10, these many years. The report seeks feedback from the public—I know in Metro Toronto there will be a great deal of that—and I just want to say how grateful I am to the participants in the remedial action plan for the work that has gone into preparing this strategy.

Mr Marchese: I understand the importance of this and I also understand the uncertainty of today's economic situation, but when can we expect the implementation of the recommended actions to begin?

Hon Mrs Grier: That of course is the nub of the question. I am glad to report to the House that under my predecessor, in fact, work on taking action to clean up the Toronto waterfront began at the same time as the planning.

Over \$50 million has been spent through the waterfront water quality improvement program. There is a lot more to be done. Remedial action plans are very much a partnership, and we are currently negotiating with Environment Canada for renewal of the Canada-Ontario agreement on Great Lakes quality. In view of Environment Canada's renewed commitment to the Green Plan, I certainly look forward to productive discussions with Environment Canada about the funding of the actions that have been recommended for the Metro Toronto waterfront.

MINISTER'S COMMENTS

Mrs Caplan: My question is to the Minister of Health. The minister has confirmed that her office has access to confidential files and information. Would the min-

ister confirm whether her executive assistant, her policy adviser, her legislative assistant, her communications assistant or any other member of her personal staff has seen or received the sensitive information which was requested by her office regarding a Sudbury physician that was sent by the ministry office in Kingston to the office of Dr Eugene LeBlanc?

Hon Ms Lankin: From my questioning on this matter, what I can confirm for the member is that the detailed information—which Dr MacMillan determined by my direction not to receive too detailed information could be rewritten in terms of the background information—was circulated to about five or six people we think.

The copy that came to our office which was retrieved from our office, we were assured at the time by the person who delivered it, had all references to any names blacked out from it. The staff person who received it does not recall at this point in time actually ever having read it. There was no information with respect to a name on it and the information was never conveyed to me.

Mrs Caplan: The information the minister has shared with the House today is very relevant and very damning. Apparently five individuals received that information. She has confirmed that her office did request specific information on a Sudbury doctor and that it just blanked out his name and the information was then circulated.

In light of this information, will the minister expand to her own office the investigation which she has asked of the Information and Privacy Commissioner? Will that investigation be expanded to include her own office, since we now know that the conduct of her personal staff is in question?

Hon Ms Lankin: The member says that I have now provided information which is damning. I provided this information last week. I have said this on the record a number of times and there is nothing new about this.

The information which had been prepared on request for the background documentation to a briefing note to the minister was provided by Kingston and was retrieved by Kingston within the matter of a number of hours. Of the five people who had access to it, four were involved in the bureaucracy in preparing the briefing notes. The member knows well some of those people who were in that room.

May I also say that as that information was retrieved and sent back, copies were not kept and copies were not provided. The briefing note that was provided to me did not contain the detailed information, so let me say that all of us had absolutely full entitlement to have access to that.

The member asks, will I expand the investigation? The investigation is not narrowly focused. The request that we made was for the commission to look into the use, the circulation and the possible disclosure of confidential information with respect to the specific physician. Wherever that investigation takes those individuals, that is fine with us.

Mr Runciman: I have a question for the Minister of Northern Development and Mines. She was a member of the official opposition caucus during the Joan Smith matter. I was not terribly sympathetic at that time with respect to Mrs Smith's activities, but I think we could all agree

that she made an honest mistake with respect to doing something on behalf of a family friend where there was no personal gain and no effort on her part to do wrong to anyone. I want to have an indication from the Minister of Northern Development and Mines as a part of the NDP caucus. Where her leader was saying, "I want her out," what was her position? Did she support the removal of Mrs Smith from office? Yes or no?

Hon Miss Martel: If I might, I think the focus of what has gone on here in the last number of days is on my actions and no one else's. I have made it very clear to the House that I recognize I made a serious mistake. I have done everything I can to make amends. I have apologized to all those people who were involved and I have assumed responsibility for it. It seems to me that what I should be answering is with respect to my own actions and no one else's.

Mr Runciman: I think we have to assume that the member did support her leader when he said, "I want her out," with respect to Mrs Smith for going to the defence of a family friend. How can she justify her position and remain in the executive council when she lied and slandered—and she admits to doing that—and when she supported her leader saying, "I want Mrs Smith out"? How can the minister stand here and support that?

Hon Miss Martel: In the last number of days, I have made every effort I can to answer the questions that have been raised by the members. I have been very open and honest about that and I do not think there is any more that I can add.

Interjection.

The Speaker: Will the member for St George-St David please come to order.

1440

MUNICIPAL FINANCES

Mr G. Wilson: My question is of the Minister of Municipal Affairs and it involves an unfair tax burden on the people of Kingston. As the minister is aware, section 160 of the Municipal Act restricts the amount of payment in lieu of taxes that provincial institutions pay to the municipality of Kingston, so in 1991 Kingston had to forgo over \$7 million. That is just the difference, the payment in lieu of taxes from three institutions—Kingston General Hospital, Queen's University and St Lawrence College—paid according to section 160 as opposed to what they would have paid if they were paying on the basis of any other corporate citizen. I would like the minister to please comment on this situation and tell us what he is going to do about it.

Hon Mr Cooke: The member has spoken to me about this matter several times. At his urging, we met with the mayor of Kingston, Helen Cooper, representatives from the community college, the university and the hospitals to discuss the impact this problem is creating on Kingston. I certainly agree with him that the amount of money paid in lieu of taxes for provincial facilities has not kept up with the rate of inflation and Kingston is having financial difficulties which are particularly contributed to by this.

In my meeting with the mayor I indicated that the cost of making these adjustments right across the province would be millions of dollars and the financial situation of the province right now does not make it possible to adjust for the grants in lieu of taxes because they had not been adjusted by the previous government for several years. I did indicate to the mayor that we will continue to examine the situation, but the matter has also been referred to the Fair Tax Commission, specifically the property tax working group. I hope that together we will be able to find a solution.

NON-PROFIT HOUSING

Mr Ruprecht: The Minister of Housing will be aware that her ministry has earmarked \$14 million to the support of a housing coalition for the construction of a non-profit housing project in south Parkdale that has been earmarked by controversy. The local ratepayers' association, the business association—in fact, all four levels of government and their representation—have criticized the NDP and the minister for approving funding for the Queen-Gwynne project, which will cost the taxpayers over \$170,000 per unit. That is more than the entire cost of a house in the area. The project is also fraught with design problems in direct conflict with the main street planning principles of the city of Toronto.

Based on these concerns that have been raised by all sectors of the community, when can we expect the minister will announce that her officials will order a review of the Queen-Gwynne project?

Hon Ms Gigantes: I am pleased to tell the member that officials of the Ministry of Housing have reviewed the project and in fact, as with all projects which have taken time under this 1988 Homes Now program to get going, there has been careful monitoring of its progress. It does in fact meet all the requirements of the city of Toronto main street project. It will not cost \$14 million. The member has a serious overestimate, which apparently several people at various levels of government are spreading about this project, which is too bad. This is a supportive housing project of 84 units. It is desperately needed. Would the member prefer to see people left on the streets in his area?

Mr Ruprecht: Of course not. What I would expect is to look at those conditions that are substandard in housing, those the minister should be addressing, not to support obscene costs of \$170,000.

I hope the minister reconsiders her position so she would know and would not try to mislead this House. There are fundamental problems with this project: obscene costs, design problems—

The Speaker: Would the member for Parkdale pause for a moment. It makes it very awkward when a member attempts to do something indirectly which is not permitted directly by the rules, and suggesting in his question that the member would be misleading the House is really not appropriate.

Mr Ruprecht: In the spirit of Christmas, I will withdraw "mislead the House" and I will simply say the minister should be looking at the facts.

Here is my question. The minister will hopefully know there are fundamental problems with this project, and just because this project is supported by the Supportive Housing Coalition does not necessarily mean an automatic approval by the minister or by this government. When we have, as I stated earlier, conflicts such as obscene costs—the project looks like a jail, and let me say this officially on behalf of us, it does not agree with the city of Toronto main street proposal. It simply does not.

When will this minister be sensitive enough to look at some of these problems within our community and agree to meet with the residents, with the business associations and with the representatives of all four levels of government that are elected there and reassess the situation with a view to looking at it again?

Hon Ms Gigantes: The member has repeated figures which are inaccurate on the cost of this project. I hope he will stop doing that. It does not serve anybody well. There is a need for supportive housing in the area in which this project has been brought forward. It has encountered a lot of difficulties, to the point where, because of delays at the level of political approval at the city of Toronto, we have a situation where the coalition has decided to go ahead to the OMB to have an understanding worked out that the process can go ahead.

If there were less political interference on this one and less negative political interference, this project would have been established and under way before now. I hope the member will from now on take a positive position on this much-needed project.

WRITTEN QUESTIONS

Mr McLean: On a point of order, Mr Speaker: I want to draw to your attention the fact that for a long time in this Legislature we have had Orders and Notices questions. Those questions are to be answered. I have one question here that has been on since June 27. I think the people on whose behalf I have asked the question should be given an answer. I wish you would bring this very fact to the attention of the government.

The Speaker: Could the member for Simcoe East provide the Speaker with the number of the question on the order paper and the minister to whom it was directed? Could you do that now?

Mr McLean: It is number 710 on the order paper. The question is to the Minister of Natural Resources.

The Speaker: The member indeed has a valid point of order and it has now been drawn to the attention of the minister who is in the chamber, and hopefully there will be a quick resolution to the difficulty.

Hon Mr Wildman: I just want to assure the House I was not treating two weeks in the way that a day is treated in terms of Genesis.

The Speaker: That somehow sounds reassuring.

Mrs Sullivan: Mr Speaker, I have a point of order relating to order paper questions number 750 and number 571, the first being an inquiry of the Minister of Health relating to the financial status of each of Ontario's 224 hospitals and the second relating to the financial status of

each of Ontario's nursing homes. Those questions were placed on October 24. I have raised this previously as a point of order on November 28. I am raising it for the second time. We are very anxious for these responses. I would also like to point out that I have a question, number 787, relating to long-term care delivery projections to which I anticipate a response before the House rises.

The Speaker: The member for Halton Centre indeed has a valid point of order. It has been drawn to the attention of the Minister of Health, who is in the chamber, and hopefully the matter can be resolved quickly.

1450

PETITIONS

PORNOGRAPHY

Mr Offer: I wish to table a petition to this government, provided to me by the Mississauga Gospel Temple, which reads:

"The petition of the undersigned residents of Ontario, who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners, in certain assurance that your honourable House will therefore provide a remedy, humbly sheweth;

"Whereas that we are opposed to the production, sale and rental of hard core and obscene material in Ontario, because of the associated negative and destructive influences leading to sexual assault upon women and children, degradation, exploitation and humiliation; pornography also claims men as its victims through obsession, addiction, moulding of criminals and autoerotic suicide;

"Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to strictly uphold the present laws on obscenity and, as in duty bound, your petitioners will ever pray."

This petition is signed, through the Mississauga Gospel Temple, by hundreds of members and I affix my name to it.

OATH OF ALLEGIANCE

Mr Jackson: This is a petition to the Lieutenant Governor and to the Legislative Assembly of Ontario:

"Whereas Her Majesty the Queen, at her coronation in 1953, took a personal oath to the people of Canada, and Canadians have always reciprocated with oaths of allegiance and service to the person of the sovereign;

"Whereas it is our right and duty to take oaths of allegiance and service in such form;

"Whereas Ontario regulation 144/91, made under the Police Services Act, 1990, denies Ontarians this right,

"We, the undersigned residents of Ontario, loyal to Her Majesty Queen Elizabeth II, Queen of Canada, petition the Legislative Assembly of Ontario to resolve that His Honour the Lieutenant Governor in Council be requested to revoke Ontario regulation 144/91 and restore the traditional oath of service to Her Majesty for police personnel in Ontario."

This has several thousand additional signatures and has my signature of support.

PROPERTY ASSESSMENT

Mr Turnbull: I have a petition. It reads:

"Whereas Mulmur council adopted market value assessment without due warning to residents and ratepayers, said change resulting in a disastrous increase in the amount of property tax to be paid; and

"Whereas the said lack of warning denied residents and ratepayers information as to the mechanics of market value assessment and thus denied them the right to be heard in the matter; and

"Whereas market value assessment has serious inequities resulting in a shift of the tax burden without any cushion for those who would be steamrollered by a 150% tax increase to the backs of those least able to bear it, the old, the disabled, the poor;

"Therefore, we, the undersigned, protest Mulmur's middle-of-the-night change to market value assessment and the resulting unconscionable increase in our taxes, and we ask that a more equitable scheme be used for the computation of property taxes."

This petition is signed by more than 100 people, and I have affixed my signature.

CUSTODY AND ACCESS

Mr Rizzo: I have a petition from the Heritage of Children of Canada, which reads as follows:

"To the honourable Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the undersigned, beg leave to petition the Parliament of Ontario as follows:

"That the Ministry of the Attorney General hereby amend section 21 of the Children's Law Reform Act so that the ward grandparents be included to apply for access of their grandchildren. The existing law must be improved so it is recognized a child has a legal right to his or her heritage."

The petition has 2,230 names, and I have affixed my name to it.

VEHICLE LICENSING OFFICES

Mr Arnott: I have a petition today which is prompted by the uncertain signals that have been sent out by the Minister of Transportation with respect to the road safety agency he announced last week, as well as the issue of licence issuing offices in rural Ontario. It reads as follows:

"To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the undersigned, beg leave to petition the Parliament of Ontario as follows:

"We, the undersigned, agree with the licence issuers. Issuing offices should stay with the private issuers in the small towns, as they are now."

It is signed by myself as well as about 400 good people from my riding of Wellington.

OATH OF ALLEGIANCE

Mr Jordan: I have a petition to the Legislative Assembly of Ontario.

"Whereas Her Majesty the Queen, at her coronation in 1953, took a personal oath to the people of Canada, and

Canadians have always reciprocated with oaths of allegiance and service to the person of the sovereign;

"Whereas it is our right and duty to take oaths of allegiance and service in such form;

"Whereas Ontario regulation 144/91, made under the Police Services Act, 1990, denies Ontarians this right,

"We, the undersigned residents of Ontario, loyal to Her Majesty Queen Elizabeth II, Queen of Canada, petition the Legislative Assembly of Ontario to resolve that His Honour the Lieutenant Governor in Council be requested to revoke Ontario regulation 144/91 and restore the traditional oath of service to Her Majesty for police personnel in Ontario."

I have affixed my signature to that.

ORDERS OF THE DAY

CONCURRENCE IN SUPPLY

Deferred vote on the motion for concurrence in supply for the following ministries and offices:

Ministry of Industry, Trade and Technology;

Ministry of Housing;

Ministry of Transportation;

Ministry of Skills Development, votes 3601 and 3602;

Ministry of Northern Development and Mines, votes 3001 and 3002;

Ministry of Natural Resources;

Ministry of Health;

Office for the greater Toronto area;

Ministry of Energy;

Ministry of Agriculture and Food;

Ministry of Financial Institutions.

1500

The House divided on the motion for concurrence in supply for the Ministry of Industry, Trade and Technology, which was agreed to on the following vote:

Ayes—65

Abel, Allen, Bisson, Buchanan, Carter, Charlton, Christopherson, Churley, Cooke, Cooper, Coppen, Dadamo, Drainville, Duignan, Ferguson, Fletcher, Frankford, Gigantes, Grier, Haeck, Hampton, Hansen, Harrington, Haslam, Hayes, Hope, Huget, Jamison, Johnson, Kormos, Lankin, Laughren, Lessard, Mackenzie, MacKinnon, Malkowski, Marchese, Martel, Martin, Mathysen, Mills, Morrow, Murdock, S., North, O'Connor, Owens, Perruzza, Pilkey, Pouliot, Rae, Rizzo, Silipo, Sutherland, Ward, B., Ward, M., Wark-Martyn, Waters, Wessinger, White, Wildman, Wilson, F., Wilson, G., Winninger, Wiseman, Wood.

Nays—38

Arnott, Bradley, Brown, Caplan, Carr, Chiarelli, Cleary, Conway, Cousens, Cunningham, Curling, Eves, Fawcett, Grandmaitre, Harnick, Harris, Jackson, Jordan, Mancini, McClelland, McLean, Miclash, Murdoch, B., Offer, O'Neil, H., O'Neill, Y., Phillips, G., Poole, Runciman, Scott, Sorbara, Sterling, Stockwell, Sullivan, Turnbull, Villeneuve, Wilson, J., Witmer.

The House divided on the motion for concurrence in supply for the Ministry of Housing, which was agreed to on the same vote.

The House divided on the motion for concurrence in supply for the Ministry of Transportation, which was agreed to on the same vote.

The House divided on the motion for concurrence in supply for the Ministry of Skills Development, votes 3601 and 3602, which was agreed to on the same vote.

The House divided on the motion for concurrence in supply for the Ministry of Northern Development and Mines, votes 3001 and 3002, which was agreed to on the following vote:

Ayes—65

Abel, Allen, Bisson, Buchanan, Carter, Charlton, Christopherson, Churley, Cooke, Cooper, Coppen, Dadamo, Drainville, Duignan, Ferguson, Fletcher, Frankford, Gigantes, Grier, Haeck, Hampton, Hansen, Harrington, Haslam, Hayes, Hope, Huget, Jamison, Johnson, Kormos, Lankin, Laughren, Lessard, Mackenzie, MacKinnon, Malkowski, Marchese, Martel, Martin, Mathysen, Mills, Morrow, Murdock, S., North, O'Connor, Owens, Perruzza, Pilkey, Pouliot, Rae, Rizzo, Silipo, Sutherland, Ward, B., Ward, M., Wark-Martyn, Waters, Wessenger, White, Wildman, Wilson, F., Wilson, G., Winninger, Wiseman, Wood.

Nays—38

Arnott, Bradley, Brown, Caplan, Carr, Chiarelli, Cleary, Conway, Cousens, Cunningham, Curling, Eves, Fawcett, Grandmaître, Harnick, Harris, Jackson, Jordan, Mancini, McClelland, McLean, Miclash, Murdoch, B., Offer, O'Neil, H., O'Neill, Y., Phillips, G., Poole, Runciman, Scott, Sorbara, Sterling, Stockwell, Sullivan, Turnbull, Villeneuve, Wilson, J., Witmer.

1510

The House divided on the motion for concurrence in supply for the Ministry of Natural Resources, which was agreed to on the same vote.

The House divided on the motion for concurrence in supply for the Ministry of Health, which was agreed to on the same vote.

The House divided on the motion for concurrence in supply for the Office for the greater Toronto area, which was agreed to on the same vote.

The House divided on the motion for concurrence in supply for the Ministry of Energy, which was agreed to on the same vote.

The House divided on the motion for concurrence in supply for the Ministry of Agriculture and Food, which was agreed to on the same vote.

The House divided on the motion for concurrence in supply for the Ministry of Financial Institutions, which was agreed to on the following vote:

Ayes—65

Abel, Allen, Bisson, Buchanan, Carter, Charlton, Christopherson, Churley, Cooke, Cooper, Coppen, Dadamo, Drainville, Duignan, Ferguson, Fletcher, Frankford, Gigantes, Grier, Haeck, Hampton, Hansen, Harrington, Haslam, Hayes, Hope, Huget, Jamison, Johnson, Kormos, Lankin, Laughren, Lessard, Mackenzie, MacKinnon, Malkowski, Marchese, Martel, Martin, Mathysen, Mills, Morrow, Murdock, S., North, O'Connor, Owens, Perruzza, Pilkey, Pouliot, Rae, Rizzo, Silipo, Sutherland, Ward, B., Ward, M., Wark-Martyn, Waters, Wessenger, White, Wildman, Wilson, F., Wilson, G., Winninger, Wiseman, Wood.

Nays—38

Arnott, Bradley, Brown, Caplan, Carr, Chiarelli, Cleary, Conway, Cousens, Cunningham, Curling, Eves, Fawcett, Grandmaître, Harnick, Harris, Jackson, Jordan, Mancini, McClelland, McLean, Miclash, Murdoch, B., Offer, O'Neil, H., O'Neill, Y., Phillips, G., Poole, Runciman, Scott, Sorbara, Sterling, Stockwell, Sullivan, Turnbull, Villeneuve, Wilson, J., Witmer.

LABOUR SPONSORED VENTURE CAPITAL CORPORATIONS ACT, 1991

LOI DE 1991 SUR LES CORPORATIONS À CAPITAL DE RISQUE DE TRAVAILLEURS

Resuming the adjourned debate on the motion for second reading of Bill 150, An Act to provide for the Creation and Registration of Labour Sponsored Venture Capital Corporations to Invest in Eligible Ontario Businesses and to make certain other amendments / *Projet de loi 150, Loi prévoyant la création et l'inscription de corporations à capital de risque de travailleurs aux fins d'investissement dans des entreprises ontariennes admissibles et apportant des modifications corrélatives.*

The Speaker: It is the third party's opportunity to participate.

Mr Eves: I believe we have unanimous consent among the three parties to allow the member for Carleton to defer. He had briefly gained the floor, but he has some other duties that prevent him from being in the chamber during this part of the debate. I believe there is unanimous agreement that he will be allowed to resume the floor at a later date.

Agreed to.

Hon Mr Cooke: Because our members thought Mr Sterling was going to go, perhaps we can get two seconds to line up our speaker.

Mrs Mathysen: It is with genuine pleasure and excitement that I rise today to speak to Bill 150. I am pleased to support this legislation for many reasons. This legislation will contribute to the economic renewal of this province. Bill 150 illustrates that my government is responsive to people's concerns. It is willing to listen to stakeholders and is willing to facilitate the necessary changes.

One of the reasons I am so excited by this legislation is that it fosters a new relationship, a positive relationship between business and labour. That positive relationship is

long overdue. The 1990s should not be, and cannot be, an era of confrontation. Rather there must be co-operation. This piece of legislation really seeks to foster a co-operative relationship.

This bill will accomplish many important objectives. It will provide business with new sources of much-needed capital, assist in increasing worker productivity, permit employees to have a greater opportunity in workplace decision-making, promote regional development designed to help save jobs for workers who would otherwise face layoffs, and foster a better understanding between employees and business.

In today's economic climate, a climate that has been brutalized by the disastrous economic policies of the federal government, it is extremely difficult for small businesses to secure the funds necessary to maintain operations. Unfortunately, bankruptcies are on the increase, but this legislation presents an opportunity and encourages workers to invest in the companies in which they work. By so doing, small and medium businesses will be able to obtain the funds necessary to continue operation, and generally, businesses will have a new ability to access desperately needed capital.

Part I of the legislation provides a tax credit to encourage workers to invest in small and medium-sized businesses through a labour-sponsored investment fund. Workers are also given credits to facilitate ownership of small companies.

This legislation can only assist in the economic renewal of this province. It will herald a new relationship in the economic community. One of the many things I like about this legislation is that it gives working men and women an opportunity to participate in workplace decision-making. It allows workers to invest and/or own businesses and it assists in creating a fair, level playing field for labour and business.

1520

A better understanding can develop as each group becomes aware of the other's needs and challenges. This new, co-operative approach can only benefit the province's work climate.

By encouraging workers to invest and own companies, we are encouraging productivity from those same workers. This will in turn make Ontario's businesses more efficient and effective. The fact is that studies show that employee participation in the workplace increases productivity. This can only help Ontario's economy.

Bill 150 will also help to protect jobs, jobs that are being lost to a destructive free trade deal. Indeed there are many practical reasons why this is a good piece of legislation, a good direction for this government to be taking.

However, one of the most important aspects of Bill 150 is that it encourages capital to remain in Ontario. When small businesses turn a profit, it is often the result of the efforts of the workers. As a result, profit should remain with those workers who produced it, with those small businesses that produced it, in this province, the place that produced it.

The new relationship made possible by worker ownership will make this investment in Ontario by Ontarians a reality. It will encourage fairness, fairness that is deserved.

Finally, it will contribute to the economic renewal of this province.

Mr Phillips: I am pleased to join the debate on Bill 150. The members of the House would probably agree with both of the major objectives of this bill, the first objective being to encourage more employee participation in the workplace. The term "partnership" and the term "participation" are both crucial words as we look at restructuring the economy for the future. On the one hand, I think all of us can agree to that objective and I think we would all support that part of the bill.

The second objective of the bill, where a firm may be in some difficulty, is to provide the employees of that firm an opportunity to purchase the organization. That too probably is a worthy objective. As we deal with this bill, let's say for our party that we can certainly agree with the two objectives of the bill.

Where we begin to run into difficulty is on the specifics of the bill. What I want to outline today is the areas we have some concerns about. I might add that I think the members of the House should be aware that many people in the labour movement have some significant reservations about this approach. It is important for the House to recognize that.

For example, I was reading the comments of the Canadian Auto Workers on the bill from their president, Mr White, who along with the CAW has some thoughtful comments on it. What the CAW says is: "We want to emphasize our opposition to the worker financed venture capital fund. There has been no research presented to indicate that a lack of venture capital is a principal problem in the province and, if it were, why workers—rather than those with the capital and those who are in the business of 'risks'—should be placed at the centre of any solution."

There are other aspects of his document that I think are worth putting on the record. He also says, "Why is the government ignoring this other OFL proposal?" The Ontario Federation of Labour, as I think many members in the House will recognize, had a different approach to this than the one proposed. "Why emphasize greater worker participation and then—without any apparent serious debate...."

I would say to the House, as we look at dealing with this bill, that this is not a simple bill that one passes quickly in this House. It is a major undertaking involving probably about \$100 million worth of taxpayers' money. But probably equally important for the members, it will probably involve anywhere from \$200 million to \$250 million a year of funds that the employees will invest. What we are asking of the people of Ontario, the working people, if you will, of the province is to invest their own hard-earned money at the rate, probably annually, of \$250 million a year. As well, the Ontario taxpayers will invest probably \$100 million a year.

As we move forward with this, we have a fundamental obligation to ensure that those investors, those working people who will be encouraged through this bill to invest their money, have some protection. That is one of the things the CAW is getting at. They raise several significant points, as I said before, in this letter. One is that they have a basic concern about the thrust of the bill.

They go on to say:

"The point of such funds is to get workers to 'buy into' capitalism and the culture of tax breaks. This means playing at the margin of the economy and divert attention from the real...problems of economic strategy. It is not a coincidence that business...has been much less critical and in some cases even supportive of these initiatives.

"None of this should come as any surprise to you. As is well known, the Ontario Federation of Labour has debated the role of venture funds in the past and...rejected their usefulness to working people." The OFL suggested an alternative approach.

I am not sure all the members of the Legislature are aware that within the labour movement there are some significant reservations about the approach that is being taken in this bill. I will return to the letter later on, but our first concern is about this investor protection.

Members may recall that the Ontario Securities Commission, as it dealt with the Kapuskasing-Spruce Falls development, said, "We will approve this arrangement as a one-time arrangement, in the interest of getting on with that important saving of that particular factory." But the Ontario Securities Commission said, "We want to alert the government and the members of the Legislature that we have some severe concerns about the level of disclosure the investor is going to get under this proposed worker ownership."

Our first concern is for the individuals of this province, the people who are going to be asked to put their money into these ventures, ensuring that they have adequate knowledge and disclosure of the investment. Certainly the body we hold accountable for ensuring that the investors of this province have adequate disclosure and are treated fairly and equitably, the Ontario Securities Commission, has alerted us that it is concerned about the disclosure provisions in this bill.

It would be my hope, and I hope there is agreement, that this bill will go to a committee and that the Ontario Securities Commission would have an opportunity to spell out for the Legislature its concerns about disclosure and perhaps give us some advice on how we can ensure there is proper disclosure. Make no mistake about it: As we head down this road and as we look at annually, as I said before, probably \$250 million of people taking money out of their pocket and putting it into these ventures, we have a responsibility to ensure that they are treated fairly and equitably and that they know what they are getting into, particularly, I would say, as on the worker ownership part I suspect this will be used in the Algoma situation.

1530

Although we thought we might be seeing the Algoma arrangement today, I gather that yesterday the parties were before the courts getting a six-week extension. I suspect the first use of this will be with the Algoma situation. Members can imagine that as the individuals lay out their own personal money, for many of them it is a kind of retirement fund. The bill, as members are aware, allows for individuals to put \$15,000 a year into the buyout fund. For all of us that is an incredible amount of money. We want to ensure that as individuals are asked to invest in Algoma

and other similar ventures, they have full disclosure and understand exactly what they are getting into and the risks involved. Certainly the Ontario Securities Commission has some reservations about it, as does the Canadian Auto Workers.

The second big area of concern for us is the venture capital portion of this bill. The bill provides for two streams. One is the establishment of venture capital funds where individuals can put \$3,500 into a venture capital fund each year. They get a tax credit of 20% of that \$3,500 off their provincial tax payable and 20% off their federal tax payable, so we are looking specifically at a 40% tax saving for investing \$3,500 each year.

The venture capital funds under this bill can be run only by unions. We have some concerns about that. There are other employee groups, it seems to us, that should perhaps have exactly the same opportunity to run venture capital funds. Certainly in the two provinces where these have been set up most recently that flexibility was provided. In Saskatchewan and British Columbia, co-operatives or employee associations can run these venture capital organizations. It is not a new idea. We hope that at committee there will be an opportunity to debate and amend it so that we do not treat other employee groups unfairly. I might add that when the bill was introduced here in the Legislature by the Treasurer, I pointed that out in my response.

I think at the time the Treasurer was not aware that in other jurisdictions the venture capital program was available to employee groups besides unions. If it is limited to just unions, I think the problem is that it will undermine the underlying philosophy, which is to encourage as much as possible participation by a broad group of people in having a stake in the business of Ontario. For too long having a stake in the business of Ontario has been too limited. Certainly it is our hope that we will not limit participation to unions and that we will look at the opportunities which have been provided in other provinces. I might add that my understanding is that in Saskatchewan there has been an active uptake by organizations other than unions in running the venture capital portion of it.

I also hope that the worker buyout part of it will not be something used to encourage employees to purchase the companies that no one else wants. I think that was the fundamental concern Mr White from the CAW had in his letter and comments. Somewhere in here he said, referring to the worker buyout:

"We are not, however, going to sell such interventions to our members or to the public as a great new innovation to deal with this country's economic problems. We are not enthusiastic about workers using their savings in hard times to take over failing firms in crisis. The reality is that this option has rarely involved workers taking over strong and profitable firms. It has generally emerged to take over facilities that employers don't want—something that can hardly be the basis for a widespread alternative to restructuring the economy."

What Mr White is pointing out here is that in a situation where there is a company that does not have a viable future, it is a huge mistake to let the taxpayers and the

workers assume that long-term liability. That is what Mr White is pointing out, the need to ensure—

Hon Ms Gigantes: That is not what he said.

Mr Phillips: That is exactly what Mr White said. Mr White has expressed his major reservation in here about encouraging employees to purchase firms, “workers using their savings in hard times to take over failing firms in crisis.” This is exactly what Mr White has said.

Hon Ms Gigantes: As a widespread policy.

Mr Phillips: The member is yattering on, but not making sense over there. That is what Mr White says in black and white, and I just encourage her to listen. Perhaps she would learn something about the needs of the working people of this province and about the concerns the labour movement has about this bill instead of trying to interject. If she would just stay calm, I think she would probably understand this bill to a much greater extent than I am afraid she does right now.

The third concern we would raise is that the pricetag on this bill is about \$100 million a year. This is what the taxpayers of Ontario are going to invest in this bill: \$100 million. The question is, and Mr White raises it in his letter as well, is this the best use of \$100 million? Is this where we should be spending \$100 million? Members can tell by my opening remarks that we see some real merit in both objectives, but I think the taxpayers, the people of Ontario and the workers of Ontario should realize this is the pricetag in this particular initiative.

Would there be a better use of \$100 million? Mr White's letter suggests \$100 million of direct intervention rather than encouraging individuals to get themselves involved on a long-term basis in any potentially failing organization. Would the taxpayers be better off to take that \$100 million and see it in a direct investment?

These are questions I hope we would be able to deal with at the committee. I am not sure anyone who has been involved in the information that has been disclosed to date about the bill understands, first, the amount of money that is involved and, second, that it is an issue for the labour movement, an issue, by the way, that has been debated many times at the OFL convention, as members will be aware, and rejected by the OFL several times because of its concern about investor protection and because of its concern about encouraging working people to get involved in a venture that may use up their savings.

I hope that through working on the first point I made, the investor protection, working with the Ontario Securities Commission and by having people like Mr White appear before the committee, we can lay out the necessary safeguards for the investors so that the essence of the bill could proceed.

1540

The last overall point I would like to make is that this bill forms part of a four- or five-part economic renewal plan by the government. The economic renewal plan includes the Labour Relations Act changes. That is often one of the first things the Premier says in the economic renewal plan. This worker participation or the worker ownership, Bill 150, is the second part of the economic renewal plan.

The third part we have yet to see, and that is the use of pension funds for capital. That, by the way, is again the point Mr White makes in his letter. Is there any evidence that a lack of venture capital is the principle problem? He asks that rhetorical question. I think he goes on to suggest there are other more fundamental issues at stake.

Another part of the economic renewal plan is the Fair Tax Commission. I gather they are almost at this moment reporting on the first two things they were designed to report on, the minimum corporate tax and the land speculation tax.

The reason I raise all those economic renewal plans is I have a fundamental concern that in just six months or so, when the consultation is coming to a conclusion, we are going to be into a major debate in the province between labour and business. The members in the House will realize that the lightning rod for that right now is the Labour Relations Act.

We can banter back and forth here all we want about the need for change and what not, but there can be no question that those Labour Relations Act changes, just at the moment when all of us are trying to get the economy rolling and develop these partnerships, are going to develop into quite a firestorm.

The reason I raise that is that as we debate Bill 150—and this is the second point I make with the legislation—the venture capital part of this is available only to unions, whereas in other provinces other employee organizations can run it. That is a bit of a signal. It is sort of like: “What is going on here? Why is it not available to other organizations? Why is it just unions? Why not co-operatives? Why not employee associations?”

As we are trying to develop some trust and some understanding among the various communities out there, the antennae go up by the business community. They say: “Aha, I see the real motive of this. It is not to encourage worker participation. It is not to encourage a broader commitment to the economic renewal in the province. It is not to give everybody a stake in the province. It is to increase the power of the unions.”

We divert attention from the essence of the bill, at least what I hope is the essence of the bill, and that is participation by a broader group of people and finding ways organizations can encourage their employees in circumstances where they need the involvement of the employees. Frankly, I hope in some circumstances the company just finds it is an opportunity for a change in ownership. But when one looks at unions only, they say, “Why is that happening?” The antennae go up and the suspicions go up and we are sidetracked in the debate.

The reason I raise that is, I think we are going to have that debate on this. I predict tragically, while the Ontario Training and Adjustment Board conceptually is a terrific idea, in my opinion—I am not sure too many share this view—we will shortly have an incredible debate about what I call the governance of that.

It is the intention to take about \$2 billion worth of the most essential spending in the province on our skills development, on our retraining, on our helping people who are either unemployed or trying to get into the workplace to

become trained, on assisting co-operation and co-ordination, on matching skills in the workplace with the needs in the workplace. It is absolutely essential to the future of the province.

But the governance of the Ontario Training and Adjustment Board is going to be—and by the way, this will be an independent, arm's-length crown organization that we, as public officials, will not be able to guide because it will now be taken out of the hands of the elected people.

I apologize slightly for being a little off the topic on this Bill 150, but it fits within, if you will, the economic strategy.

The governance of OTAB: First, it will be arm's length; second, six business, six labour and four community people essentially—I worry that this is a recipe for ongoing battles rather than for finding solutions to those crucial issues. I raise that because each of the economic renewal plans has the opportunity for some suspicions and debate and for sidetracking our getting on with the major issue of rebuilding the Ontario economy.

I will go back to my comments when we begin debate on this bill: that our party supports, understands and encourages the underlying objectives of the bill. We have three or four major questions about the bill, and those questions and concerns are shared, I might say, by some people in the labour movement. I believe the Canadian Bankers Association had some concerns about assessing the rest of the program from the investors' perspective, the same underlying issues Mr White had.

By the way, the version of this bill allows individuals to invest up to \$150,000 of their money into this. For almost anybody, \$150,000 would be a huge part of his or her lifetime savings, so we have a real obligation on this. It could be, more than many and certainly for most, the majority of their lifetime savings. It will be put into here. So we have an obligation and a responsibility. We can imagine, as many workers in this province will be asked to participate, that this will be a crucial decision for them. When their firm's future and their jobs at that firm depend on a majority of them agreeing to participate in this and to put their money into it, the pressure will be on them. Therefore, the pressure is on us to ensure that the bill provides for full disclosure for those investors.

I repeat, I think the Algoma situation is perhaps the first one we face with this. For those workers at Algoma, if in fact this is a part of it, we can imagine the emotional attachment they will have to participation. We just have to make sure there is a disclosure. We will be raising issues about why unions only for the venture capital; why not like the two most recent provinces which have set these up, Saskatchewan and British Columbia?

We have not actually seen a full costing from the Treasury. The Treasurer though has said in public comment I believe that he expects there is about \$100 million a year. As I said before, there are a couple of aspects to this bill that I think will raise the question of individuals out there: "Does this reflect the needs of all the working people of Ontario or just the unionized working people of Ontario?"

We look forward to a chance to hear from some of the interested parties to give us some help in terms of how we

can improve this bill as it moves to committee. I would hope that in the end we can have a bill that all of us can support.

1550

Mr Johnson: I just wanted to respond to some of the comments made by the member for Scarborough-Agincourt. He has raised the issue that the Ontario Securities Commission has some concerns about the disclosure provisions. The legislation requires investment corporations to comply with the Ontario Securities Act, including all disclosure provisions and requirements of that act. I think that is something that needs to be made clear.

He also asked the question, why should workers rather than investors be placed at the centre of risk? The bill is designed to give workers the opportunity they want and the opportunity they might not otherwise have to put forward investment proposals to save their companies and secure their jobs, particularly in those situations where the closure of the particular companies they belong to may be imminent.

With regard to the suggestion the member for Scarborough-Agincourt makes that it is just unions that can be involved in this and the proposals are limited to just unions, in fact, the proposal in respect of employee ownership, labour-sponsored venture capital corporations will allow employees to form a corporation to purchase their employer's business. They do not have to be members of a union to take advantage of the proposal in these circumstances. When the labour organization forms an investment corporation, any Ontario resident may invest in the union investment corporation. That resident does not have to be a member of the union.

I would like to suggest too that this does not increase the power of unions in any way, shape or form. I think my time is just about up. I will maybe get a chance to respond to some of these concerns later.

Mr Phillips: I do not know whether the member could not hear me or whether he is just confused on it, but I stand by what I said, and this is why I worry about whether the government understands what it has in the bill. I said that the venture capital programs can only be run by the unions. That is what I said. That is the case in the bill. That is not the case in Saskatchewan and it is not the case in British Columbia. I understand that you do not have to be a union person to invest in it, but I am talking about who runs the venture capital programs. I would say to the parliamentary assistant, if he is involved in all of this, just as I guess the Treasurer did not understand my comment, that is what we worry about.

When he said I was worried about workers being involved at the centre of risk, it was me quoting from Mr White, president of the CAW. He said:

"We want to emphasize our opposition to worker-financed venture capital funds. There has been no research presented to indicate that a lack of venture capital is a principal problem in the province and, if it were, why workers—rather than those with the capital and those who are in the business of 'risks'—should be placed at the centre of any solution."

As I say, maybe I am not speaking loud enough, but I respond to both of those comments. It was not me who said that about the workers at the centre of the risk; it was Mr White. He raised that concern. I just say to all of us, that is why we have an obligation to the workers of this province to ensure their adequate protection. On the venture capital part of it, I think the parliamentary assistant is going to have to look at the bill more carefully and realize I am right in that aspect.

Ms Harrington: I wish to address Bill 150, the proposal for worker ownership and investment. This is part of a broader plan to build partnerships and to help renew our economy, which is of course the most important thing we are trying to do at this point.

First of all, I would like to say a few words about Niagara Falls. Along with the rest of Ontario, Niagara Falls is going through major industrial restructuring. With the help of our local economic development agency and the Niagara Region Development Corp, we are attracting new high-tech manufacturing. We are also taking advantage of our skilled labour and we have the unique advantage of access directly to the US market across the border. We are even attracting offshore investment.

Just a few short weeks ago, the parliamentary assistant to the Minister of Industry, Trade and Technology and I were at the opening of a large manufacturing firm from Austria. They mentioned they were locating here because it was close to the United States. I asked them, "Why, in your first operation in North America, are you here on this side of the border instead of on the US side?" They said to me that the lifestyle in Canada, the actual culture, was closer to their European culture and they felt more comfortable being in Canada.

There are many problems in manufacturing in Ontario. I would like to address that. For instance, in Niagara Falls our historic industries, such as the abrasives industry, which goes back at least 70 years to the introduction of cheap power in the Niagara area, is in trouble. The food processing plants across Niagara have been under great difficulty since the free trade agreement. Heavy equipment manufacturing is going through difficult times. We all realize this.

I might also mention that this year we have had several very difficult strikes in Niagara where management and labour have really had difficulty sitting down and talking to one another. I believe that plant owners, management and labour who are serious about the long-term good of the industry and contributing to society must get together for the benefit of everyone and for their own benefit.

When I speak with managers of various industries in Niagara, they tell me: "Yes, we live here. We are interested in the very same things that labour is, and that is a good environment, good schools, even good working conditions for our workers."

I want to quote from the Premier when he spoke to the Economic Advisory Council last June. He said: "Confidence is so important. Wealth creation is crucial. 'Competitiveness' is a word that makes a lot of sense to me. Prosperity, the creation of wealth, attracting investment, encouraging innovation, encouraging...entrepre-

neurship"—which is what this bill is all about—"change, accepting markets, making them function effectively, rewarding innovation, creating profits—these are the things which have to happen in any society.... Unless these things happen, it becomes very difficult for that society to function effectively or fairly. In fact, it becomes impossible."

Those were the words of the Premier. Co-operation is important. Management and labour have for too long been in two solitudes. He also said he would like to see any business leader go down to the Empire Club and say: "Enough of this nonsense, attacking trade unions. We have to get them more involved, not less involved, in how we do things."

The Premier also said he would like to see a trade union leader go in front of an audience of workers and say, "Look, folks, we have to be concerned about wealth creation, we have to be concerned about the efficiency and productivity of our firms, because unless that happens, we simply will not be able to sustain the kind of life that we have grown used to and that we need to have in this province."

I think everyone on all sides of the House would agree with those comments. Our economic picture is changing. We need new ideas, we need co-operation, we need restructuring.

Once when I talked to some of our industrial owners and leaders in Niagara, I said to them, "I don't recognize any of you from my nomination meeting a year and a half ago, but regardless of that, we're still in this together and let's co-operate." In fact, just as recently as this past noon hour, the small business committee of this government met with the Canadian Manufacturers' Association, the chamber of commerce and the Retail Council of Canada in a spirit of co-operation.

I would like to take a moment to have a look at this bill. As members know, there are two parts to the legislation. What it does first of all is enable the creation of labour-sponsored investment funds. It is essentially a mutual fund type of investment controlled by the labour union, with tax credits that provide an incentive for the individuals to invest their much-needed capital, as we know, to help modernize Ontario companies.

1600

The legislation also enables the creation of worker-owned, labour-sponsored venture capital corporations. Now that is rather a long term and I am sure the parliamentary assistant knows it. Maybe it will be shortened and called EOs, or something like that, for employee-owned, labour-sponsored venture capital corporation.

This corporation is controlled by a board that of course is selected by the labour organization and bought with money raised by the members of the labour organization. The Ontario government will allow tax credits to workers who invest in this enterprise: 20% of the first \$3,500 and 30% of the next \$11,500. This corporation then likely would come into existence when a company needs a cash infusion to modernize, to get through a cyclical downturn and not to invest in something we know is not a viable enterprise.

We hope it will do the following things and it will certainly do the most important thing: try to help maintain jobs; second, it will bring more investment dollars into the

province's economy and not sit in someone's bank account, or sock, or under the bed or wherever the money in this province is.

Most important, I believe the creation of these EOs make working people active partners in the economy. This is what we want people to be: active partners in our economy, bringing more understanding and more stability to manager-worker relations. As I mentioned, we certainly need stability, understanding and involvement in Niagara Falls.

This legislation ushers in new ideas, and at this point in the economic life of our province this opportunity is seriously needed. We must try new ways of doing things.

I would also like to say that we certainly look forward to this bill going to committee so we can hear from all interested stakeholders and look at all the minute details of the bill to make sure that it is exactly what we intend and what will benefit most the people of Ontario.

The Deputy Speaker: Are there any other members who wish to participate in this debate? Questions and comments? Are there any comments?

Mr Johnson: I want to thank the member who just spoke for her very good words with regard to this bill. There seems to be some confusion as to exactly what the bill intends. The question was raised that it is a concern that there is some risk involved. I think it is important to reiterate that ultimately the Ontario Securities Commission will make clear to the workers the risk that will be involved if they should choose to invest in their company, in their future. It will ultimately be the workers' decision. They are the ones who will decide, given this information, whether they will invest in the company they work for, whether they will invest in their future.

No one will be forcing them to do this. It is certainly clear that it is legislated that the Ontario Securities Commission make any risks involved in an investment of this sort of company clear to the investor. I just think it is important that this is very clear.

Another concern is the fact that there will be \$100 million of the taxpayers' money, through tax incentives, going into this investment. I would like, too, to make it clear that this is only 20% or one fifth of the total investment that will be made in Ontario in any of the corporations or companies that individuals or workers would want to invest in. I think we want to make it clear that the \$100 million the province, in essence, is contributing is only one fifth, is only 20%. The grand total will be about \$500 million on that \$100 million investment.

Mr Grandmaitre: Such a program is welcome news in this province. I know that three years ago the former Liberal government introduced such a program, and at that time we made the program open to any employees. Restricting the administration of such a venture program limits the opportunities of workers to participate.

I know the present government is talking about partnership and consultation, but when it comes to creating a new program in this province, there are all kinds of restrictions. In the venture capital corporation there are limitations, but the government members will not agree with us

that these limitations will certainly prevent non-unionized people from taking part in this program. This is the wrong way to go about it. If we are talking about a partnership, it should be a true partnership, with union or non-unionized employees.

There is a possibility this program will work, but I think it should be left open to all workers in Ontario. This is what we are trying to tell the government, to try to improve the program and permit everybody to participate in such a venture.

Mr Bisson: I am glad that finally we have had an opportunity to get into this debate, because I think everybody in this House would agree that this program is something that is dearly needed to try to restructure some of the problems of our economy.

More specifically, to my colleague from the Niagara region, I think there is a little bit of misinterpretation on the part of the opposition on exactly how this bill will work. What she is explaining, and I thought it was fairly clear, is that in the labour-sponsored investment fund there are two different programs, one of them being the labour-sponsored investment program and the other one being the employee-ownership labour-sponsored program.

By no way or means are people who are not associated with a trade union not able to participate in these programs. The federal legislation is quite clear. The federal legislation, when taking a look at the question of who is limited to being able to invest within that particular program, is quite clear. They say you have to be a member of a trade union or an associate of a trade union. The other provinces that have gone down this route, namely, Saskatchewan, British Columbia and Quebec, have put legislation together saying you can apply if you are outside a trade union, but it does not mean anything because the federal statutes and the federal law say that the only way people can participate in the investment portion is through the trade union.

I will speak in a little bit more detail about that when it comes to my turn in debate. It is not that complex, but I think that point has to be made so that people understand quite clearly what this is about. There are two bills. The first bill is for employees to have the opportunity to buy their employer who is having difficulty. That can be done either if you are in a trade union, or in a non-unionized workplace; no difference.

The venture capital fund is a separate program altogether by which to raise capital that could be reinvested here in Ontario, the same as in other provinces across the country from Quebec to Saskatchewan to British Columbia, and we are regulated by the federal statutes. That is what this legislation is speaking to, according to the way the tax credit works at the federal level.

1610

Mr Brown: I appreciate the government coming forward with this legislation. I think it is useful and that we will find, after a lengthy discussion in committee, a compromise that all members will be able to support.

I have a concern, however, with the fact that we are asking workers to invest in companies that have not been

doing particularly well. As a matter of fact, these companies are in very difficult circumstances. What we are asking workers to do, along with the people of Ontario through tax credits, is to support this industry and to keep it going because it is a "bad risk." We have seen the banks and the investors all over the province decide that, no, they do not wish to continue with this investment; therefore it falls to the workers.

My concern is that the worker's capital, much of which might be in a mortgage or a remortgage of his home, may be put at some risk. Perhaps the assurances we have had from the parliamentary assistant can allay that fear. But I would ask members to also consider that if workers are in this kind of investment, it generally means they should have a high rate of return. High-risk investments, generally speaking, mean investors want a high rate of return.

I wonder whether the workers' investment would not have been better placed elsewhere for their own return. These are just questions I am asking now. I am going to speak a little more—next, I think—but I wonder if the member for Niagara Falls would comment on those.

Ms Harrington: I certainly appreciate the support from the opposition, that it understands what we are trying to do here. I would like to let the member opposite know that any proposal like this cannot be registered unless there is an acceptable business plan that is received by the Ministry of Industry, Trade and Technology and approved by cabinet.

I share the member's concern that this is an investment. He and I do not want to make an investment unless it is the best investment we can make. There should be, and I believe there are, guarantees that there will be a business plan that will be scrutinized and approved so that this will go forward.

I would also invite anyone who is out there watching across the province to address our committee, which I hope to be a part of, in the new year. The committee will be looking for people to comment on this. It will probably be at the end of January or the beginning of February. We would like, as I mentioned before, to improve this bill in any way we can and make sure it works.

The Deputy Speaker: Are there any other members who wish to participate in the debate?

Mr Brown: This is one of the opportunities an opposition member has to stand up and say: "Yes, I think you are doing the right thing. At least I think you are going in the right direction." We may not agree with all the precise details of this bill but certainly we agree with the principle. We must understand, however, what the backdrop of this is. We are encountering in Ontario some of the gravest economic times we have experienced in recent memory. We are seeing in my part of the world in northern Ontario some very great difficulties.

On the weekend I was in Sault Ste Marie, a community that is working very hard to keep its spirit alive and ensure its future. Of course, without Algoma Steel the Sault would have a very difficult time providing diversification. Let's say it: Sault Ste Marie without Algoma Steel is almost

unimaginable, so therefore this kind of program is something we could support to help Algoma Steel.

I recall speaking on a private member's bill that was put forward by the member for Sault Ste Marie and supporting him at that time as he urged us to go forward with legislation similar to this. I applaud the member for Sault Ste Marie for taking this idea and putting it to the forefront, because I think it is very important that the communities in the north which will benefit from this particular piece of legislation will be able to continue.

I was distressed, as I am sure many people in Sault Ste Marie were distressed, to hear recently that again we are into another five or six weeks of waiting for another restructuring proposal. That is beyond any of our control, but certainly it would be most helpful to the people of Sault Ste Marie and the people who are working so hard in that community to have this issue settled so that we could go on with that.

But it is not just about Algoma Steel, it is about Spruce Falls and it is about other companies that are in difficulty. Although the ones I can think of are perhaps in northern Ontario, and that is natural for somebody who is the Northern Development critic, there are companies across this province that will be in the same sort of situation.

I do have some concerns about this legislation. I was just talking with the member for Niagara Falls, conversing—if anyone actually has a conversation in here—about some of my concerns surrounding who qualifies. It offends me somewhat that workers under this legislation will have the ability to participate in the ownership of companies that are in financial difficulties. Why should the legislation be restricted only to companies that are in financial difficulties? It seems to me that workers across this province should be encouraged—

Mr Bisson: Get your facts straight. Read the bill.

Mr Brown: I have read the bill. I am concerned that workers will not be able or are not encouraged, because, as members know, in the bill it is subject to cabinet approval how many of these companies are allowed to participate. Which ones? There are criteria that are not laid out in the bill. We do not know. It looks more like an aid package to particular companies that are in difficulty, and that is okay, but as a principle I would like us to think about the fact that co-operative worker capitalism, if you will, is a pattern that has worked in other countries and other provinces and should work here. It must work here. For the survival of some of our communities, it is a necessity that it work here.

I am concerned, however, that in companies that are profitable, we will continue to have the traditional labour-management confrontation instead of encouraging this kind of partnership, which I think is what this bill is really about. It is encouraging everyone to work together for a common goal.

I am therefore sort of surprised when I read Bob White's quote on this. What is the position of the Canadian Auto Workers, according to Bob White? He says:

"We want to emphasize our opposition to the worker-financed venture capital fund. There has been no research

presented to indicate that a lack of venture capital is a...problem in the province and, if it were, why workers—rather than those with the capital and those who are in the business of ‘risks’—should be placed at the centre of the solution.”

I see the irony here, I guess. We are seeing an old-line union boss say: “No, no, we want to stay with the politics of confrontation. We don’t want to form partnerships. We don’t want to get together. We don’t want worker capitalism.”

That, I think, is a view that cannot be maintained in our society. It is time everyone understands that workers, whether unionized or non-unionized, and management are all in the same boat and that in the financial and economic times we live in we had better start acting like it and that the partnerships we as Ontarians need will actually be made real partnerships, which I think this bill does.

1620

This is not a new concept. Of course this bill is modelled on the Quebec fund, a fund that is, I am told, the largest venture capital fund in North America, or maybe it is just Canada, whatever. It is a large capital fund that has done a great deal for the province of Quebec. Indeed, in Kapuskasing a company that is related to that fund is going to be a major partner in the employee buyout there, and we can only be pleased with that. But I am also disturbed that unions are placed in a privileged position in terms of management in this bill.

The members opposite will tell you: “Yes, well, anybody can buy in. Anybody can put up their money.” But we are not talking about who can put up their money. We are talking about management control. We think workers, whether they are in a co-operative or they form their own organization, should have the same opportunities. It is only reasonable that workers in any establishment should have the same opportunity if their particular company could use the infusion of capital funds this venture capital program will provide.

We have two other provinces, British Columbia and Saskatchewan, that provide just that. This is not exactly a novel idea I am suggesting, and I am sure that as the bill goes through the committee hearings and the clause-by-clause scrutiny we will be able to correct that problem with the co-operation of the government party.

In the north we are experiencing depression. We are experiencing difficult times all over, not just in the north but through the province. The government is saying to us in this bill that it thinks it will cost \$100 million per year to implement this program. I do not know what they have based that number on. I have no idea, and from what I can see, neither do they. No one knows what the take-up of this program might be. It might be more, and I would suggest it quite conceivably could be more, unless the cabinet uses its discretion to arbitrarily decide who are winners and losers in this kind of program.

I think we need strong and definite criteria to decide who qualifies, and I do not see them in this bill. I think that is one of the things that certainly we as Ontarians and we as legislators need to have incorporated not in the regulations but in the bill itself, so that the people of Ontario, when they are looking for ways to provide job opportuni-

ties, can know by reading the bill, “Here is a program, this is what I have to do, and this is who qualifies.”

I am going to conclude my remarks by saying that we are supportive of this legislation in principle. I think this will be good for the communities I attempt to represent in my capacity as the opposition critic for Northern Development. We have many concerns and I think, to be fair, they are shared by people on all sides of the House. I think we will be able, when we get to committee and work this bill through, to find something that all members of the Legislature can be proud to support and, more than that, something that all Ontarians will benefit by, regardless of whether they belong to a union, they do not belong to a union, they are in business or whatever. I think it is time for us all to draw together. It is not a time for us to divide.

Mr Bisson: One more time I am going to try to allay the member’s fears and maybe his misunderstanding of the bill. I would ask that he go back and read it a little more carefully.

The point the opposition makes over and over again is that only trade unions are allowed to participate in this fund. The bill does not say that. The bill clearly says two things: The first one is a labour-sponsored investment fund, and we will talk about that, as per regulations set out by our federal government in Ottawa. One is not allowed to invest and have a sponsor of such a fund other than if one is a trade union. That is the federal statute.

There are governments, those of Saskatchewan, British Columbia and elsewhere, that have included within their legislation the possibility of other people sponsoring, but it does not matter. It would not stand up under the federal regulation. The federal regulation clearly says that the only people who can sponsor such a fund and tap into their portion of the federal dollars at 20% must be trade unions.

Once that fund is set up through the trade union, anyone within Ontario can invest up to \$3,500 into that fund. There will be 20% which will be matched in tax credits by the provincial government and 20% by the federal government.

The second part of the legislation is the worker ownership program. In the worker ownership program, yes, trade unions can incorporate in order to purchase out their employer if he is having difficulties, but also people in non-unionized workplaces have the ability of forming that same corporation. There is no exclusion in the worker ownership program between the trade union sector and the non-trade union sector.

Clearly if members wish to organize, that is a great thing. If they want to be able to organize to do this, the organizational skills of the trade union would bring that expertise; but if they want to do it on their own, they have that ability. We have to be clear that there are two bills here: worker ownership, which anybody can get into, and the labour-sponsored investment program, which I will get into later because we are out of time.

M. Grandmaitre : Je voudrais commenter les commentaires de mon collègue le député de Cochrane-Sud, qui a mentionné qu’il faut faire une distinction entre les deux projets de loi. Je crois que nous connaissons très bien les

deux programmes et nous avons l'intention d'appuyer de tels programmes dû au fait que les entreprises en Ontario présentement, surtout les petites entreprises, ont de la difficulté à rencontrer la compétition non seulement de l'Ontario mais de partout dans le monde.

Par contre, je voudrais lui rafraîchir la mémoire. Dans l'administration de ce programme de corporations à capital, une personne non syndiquée n'a pas le droit de participer. Je crois que c'est très clair. Mon collègue me fait signe que non ; par contre, je crois que c'est lui qui se trompe et qui mélange les deux projets de loi. Il devrait lire les lignes fines du projet de loi. Je répète : ceux qui veulent participer à l'administration sont empêchés par ce projet de loi.

Hon Ms Wark-Martyn: I would like to respond to the comments coming from the opposite benches about only unions being able to be involved in this employee ownership, labour-sponsored venture corporation fund.

By creating the two different types of corporations, all workers can participate in the program. Non-unionized employees can participate better through the formation of their own investment corporation or by participating in any labour-sponsored venture investment fund corporations. Unionized employees can participate in a trade-union-sponsored venture capital corporation. There are two differences, where non-unionized workers can also become involved in their companies.

Another comment was made by the member for Algoma-Manitoulin about why people would want to invest only in companies that are going down the drain or have financial difficulties. I would like to respond by saying that this is incorrect. Many businesses now are looking for an avenue to get their workers more involved in what is happening in their business and their corporation. By having the workers involved financially, this will initiate and help to promote change in that workplace and also give a collective responsibility for everyone to be involved and feel they have ownership and can therefore become more productive in their plants.

1630

Mr Phillips: I commend the member for Algoma-Manitoulin for his comments. He understands the bill. The government does not understand the bill. As he points out, in this bill the only organizations that can manage the venture capital are unions. The government members have to understand that.

In Saskatchewan, unions, co-operatives and groups of employees are allowed to set up these venture funds. As well, funds established under the Saskatchewan program are eligible for provincial and federal tax credits. Members opposite have to understand that. In British Columbia it is the same thing. Unions or other groups of people with a work-related affiliation can set up employee venture capital corporations which can, in turn, receive provincial and federal tax credits for their investments. That is very clear. The member for Algoma-Manitoulin understands that. I wish the government understood it as well as he did. In the two other provinces that have set up similar things, unions can run the venture capital programs, as the member points

out, but so can co-operatives and other employee organizations. That is the point he is making.

We all understand that non-union people can invest in the proposals; that is a given. It is who runs it that is at issue. In both Saskatchewan and British Columbia—I do not think the government understands this and I am not sure the Treasurer himself understood it when he introduced the bill—in both those cases, it is clearly our understanding from the research we have done that it is not just unions which can run the venture capital. The government thinks it is that way. They either have to amend the bill to incorporate how we interpret the bill or else understand that they do not understand the bill. My friend and colleague certainly understands it.

Mr Brown: I certainly appreciate my colleagues' comments.

The comments revolved around the issue of who can run the venture capital corporations. What I heard is that there is no disagreement here. The government believes you can be a co-operative and run the venture capital fund. I simply heard that a group of employees who band together can actually run the venture capital corporation.

If that is the case, we are really talking here about nothing. There really is not a problem. Maybe the government is right. Maybe we do not completely understand, but I have a feeling it is not us. So the government will be quite prepared, when we get to committee and go through the clause-by-clause, to accept opposition amendments to clarify that point. I do not hear any disagreement here. Everybody is saying the same thing.

We are disagreeing about what the words in the bill mean. I happen to think we have the right interpretation. I do not have such a large ego that it says to me I am always right, but I do have a sense that everybody in this place agrees that everyone, whether or not he belongs to a union, whether he is in a small company or a large company, should be able to participate in this fund. It is good for the workers of Ontario, it is good for the economy of Ontario and it will get Ontario working again.

All I can say to the government and to my own colleagues is that I am pleased this bill is before the House. I think the concept is right. I hear a general consensus about what we believe should be in the bill and I am very happy about that. We will continue working to a good solution.

Mr Martin: I am certainly honoured to rise today and speak in support of this good legislation. As the member opposite has just eloquently stated, it is progressive and challenging legislation. We may indeed have some discussion over how we might make it better.

To be honest, I look forward to that because there is nothing that we as a government want more than to be able to enter into good, constructive discussion and dialogue with members opposite and the general public about the legislation we as a government bring down. I do not think there is a piece of legislation we have introduced yet to this House and passed on behalf of the people of the province on which we have not consulted with the members opposite in significant ways and listened to the public about. That legislation ultimately reflected that we had listened and

were actually enlightened by the discussion that took place. I suggest to the members that in this case it will be no different.

I have been looking forward to this legislation since I arrived in the House. As a matter of fact, I introduced a personal private member's bill on Thursday, May 30 of this year which spoke to exactly this kind of initiative. At that time I spent quite a bit of time elaborating on the reasons why I thought it was important. I look forward to an opportunity again to say some of those things and perhaps a bit more, as I have learned somewhat more since that time about how important this kind of legislation is, particularly with the economy being in the difficult times that it is and people out there wanting to participate in more significant ways but not being able to do so.

As a matter of fact, this legislation, like most legislation we will pass, is not cast in stone. Hopefully it will evolve and get better as we become more experienced with it and as we listen to people about it and as other jurisdictions of government become more progressive in front of the kind of opportunity that we want to provide the people of our province.

I am told that right now there may be limitations to the participation of the private sector with those members of labour in venture capital operations. I suggest the federal government should be looking at that quickly and seriously in order to—

Mr Cleary: On a point of order, Mr Speaker: I do not think we have a quorum in the House.

The Deputy Speaker ordered the bells rung.

1638

Mr Martin: I am certainly glad to be able to get back to the important work of this House. It seems to me, since I have come here, that we spend an awful lot of time playing these kinds of silly games, when there are people out there in my community particularly, and I am sure in others, who have no work, are looking for work, looking for leadership from this government, and this government is not being allowed to get on with that job because of the antics of the opposition.

It is important to lay out the context within which this legislation is being passed. Certainly nobody will debate the issue that the environment of today's economy and the environment in the communities in which we live are going through some distressing times. We are moving rapidly, some of us kicking and screaming, into a global economy where the ability to compete in ever more creative ways will be important. We are moving into a global economy where capital moves freely.

At the same time, those of us who work in industry are stuck with a job today and perhaps not tomorrow because of that reality. We cannot move. If a company decides it is not making a proper return on its dollar in a place like, say, Sault Ste Marie, and Mexico looks more enticing or attractive, there is no consideration given to the impact that will have on the community itself and the workers there. Capital has no conscience and it just moves, and more and more there are becoming less and less boundaries to that move-

ment. That concerns me and it should concern all of us who live in Canada today.

1640

We have come to expect a standard of living I do not think is exorbitant in any way but is certainly more comfortable today than it was 10 years ago, than it was 20 years ago, and I think we all have to get our heads around the fact that we need to be creative and courageous and come up with new ways of making sure that as we move into the global economy and learn to compete in that environment, we do not lose that which we have fought so hard to gain. I refer specifically to some of our labour union forefathers who fought on picket lines and in other ways throughout the years so that we now enjoy in some instances secure jobs with benefit packages that take care of our children's health needs and so on.

The economy of today is a shifting one, a changing one, and all of us need to be part of that. Certainly this legislation will afford more of us an opportunity to participate in a more creative and courageous way. We are faced with a recession that seems to be unrelenting. When we arrived here a year and a half ago, some of us were predicting that six months, nine months, perhaps a year, and we would be out of it.

It seems that is not the case and in fact the recession is probably a natural part of what seems to be less a recession and more a restructuring of our economy, not unlike perhaps the Industrial Revolution, where fundamental changes were made and people learned to participate in new and different ways. In response to that reality, our government is being proactive and intelligent and introducing legislation today that will put us in a better position to participate and take advantage of recovery when it comes.

The free trade agreement is part of this global economy and is certainly contributing to the recession in our country. The federal government of this land would have us create a playing field that in fact suggests and invites us to a lower standard of living, a lower expectation of the kinds of services each one of us is owed simply by being a citizen of this country, instead of raising the expectations of its own people to a level where they would be willing to work harder and perhaps be more productive so that they might participate as well in the kinds of quality of life issues we have taken for granted in this country.

It is in the light of the free trade agreement that we, as a provincial government, are beginning to take some initiative to allow the people of our province to be able to compete in that environment when the federal government is not doing anything to assist us adjust to some of the very significant and real impacts that agreement has laid upon us.

The other context I think I would like to speak to that we need to look at as we look at this particular piece of legislation is the relationship that has evolved over time between management and labour in our province. Certainly nobody I talk to, either on the management side of the ledger or on the labour side of the ledger, will say that the system they have in place now is perfect and that there is

not room for improvement and that when it comes time for a strike at a plant—

Mr Miclash: On a point of order, Mr Speaker: I do not believe we have a quorum present, and the member just spoke earlier about the importance of having people here to listen.

The Deputy Speaker: Table, would you check if there is a quorum?

Clerk Assistant and Clerk of Journals: A quorum is present, Mr Speaker.

The Deputy Speaker: A quorum is present. The member for Sault Ste Marie.

Mr Martin: In light of the importance of this legislation that we debate here today and the really desperate times that are out there and the context within which this legislation is being looked at, I think it would be really helpful and important if some members of the Progressive Conservative party were here. None of them is here. I do not know where they are. We have three, now four, members of the official opposition in the House, and it would be nice if they saw the activity of this House as important enough to be present. All we are asking for is a commitment.

Mr Phillips: We are all here. We are listening.

Mr Martin: The members are listening. I guess that probably is a good lead-in to what I was talking about in my comments before I was so rudely interrupted. I was speaking about the relationship between management and labour and how there is always room for improvement and how there is not anybody on either side of that ledger who would not, given an opportunity, speak to the need for a more creative coming together so that we might come up with ideas co-operatively that more quickly would move forward the economic agenda of this province that affects all of its people.

I suggest that the kinds of relationships that will be stimulated and initiated by the kinds of things that are suggested and intimated in this legislation will certainly move that agenda forward as well. We will see ever more creative relationships built between those two groups, who have contributed actually a lot to the economy of this province over the years.

This is not a new idea we discuss today but one that we, as a province, have looked at in other jurisdictions and have sculpted to meet our own particular needs at this particular point in time. In fact, the previous government in its wisdom, through the facility of a Premier's council, suggested very strongly that an Ontario worker ownership initiative needs to be fully examined. We were certainly happy to pick up on that and, being given the opportunity to govern last September 6, immediately moved to looking at how that might be done, and here we are today with the legislation on the table. I have to say that I am really proud of the fact we have done that.

If you look across the world today to countries in Europe, particularly Italy, Sweden and Spain, you will see that worker ownership, particularly in the form of co-ops, is a major part of the economies of those countries. As a matter of fact, an area of Spain I have become somewhat familiar

with over the last 10 years as I have looked at this issue of worker ownership and worker co-operatives in the industrial sector jumps to mind: the Mondragone area of Spain where, after the revolution, the area was demolished, the people were demoralized and began to pick up the pieces.

It was five or six young engineers, who went away to be educated, who came back and looked at the needs of their people and, using some ideas that were taught to them by an old Catholic priest in their high school days, looked at the possibility of a co-operative. To make a long story short, in that area of Spain today there are 21,000 people employed under the banner of about 150 individual worker-owned enterprises. Out of that has evolved a financing operation under the heading of a credit union, a research and development department, their own health and welfare facilities, and on and on.

It is within that context that we present this legislation and I turn to the particular problems we are facing at this point in time in northern Ontario, where there is a fleeing of capital, where there is a devastation of the economy. We are a resource-extraction-based industry up there and, as new ideas come on the market, such as new ways of recycling material, we become less and less in control of our own destiny in that part of this province.

We think that through the introduction and implementation of this legislation and our becoming involved more and more in the owning of our own industries, we will be in better control of our destinies and our futures. We will be able to create jobs, good jobs that our children and our children's children's children will be able to take advantage of in times to come.

1650

It would probably be inappropriate for me today, in this time I have and speaking about northern Ontario, not to focus somewhat on the situation in Sault St Marie where we have our major industry, Algoma Steel, on the brink of closure. Through the initiative of the United Steelworkers union in co-operation with management and the banks, to which a lot of money is owed, and under the leadership of this government, particularly under the leadership of the Minister of Northern Development and Mines, we have moved forward courageously to come up with an answer to our problems that is centred almost solely on the proposal that the workers in that particular mill would become, to some degree, the owners, and in that way make it more productive and have it actually placed or poised to take advantage more positively of any recovery that may come in the economy.

This legislation and what is happening in Sault Ste Marie, where people are actually doing what we are suggesting would be possible under these conditions, who are taking a very courageous, bold step forward—those components, put together, will be good for Algoma Steel, will be good, actually, for the whole steel industry of Ontario and Canada. It will be good for the larger business community of Sault Ste Marie, and indeed Algoma, and it will be good for the people of Sault Ste Marie as a whole.

It seems to me from my interaction with people over the years and from that which I read about health and how to be healthy, the more we have control over our own

destiny, the more we have the ability to make decisions about what we will do, how we will do it and when we will do it, the healthier we are as people.

This legislation has great ramifications in many areas, not only in the area of business and the economy, but certainly in the area of social development and indeed in the area of how we create a healthy population that will then be ready to participate in the business of our communities, so that we can be competitive and do well in the global market scene that is evolving ever so quickly.

I suggest that as on Thursday, May 30, 1991, when this whole House supported the resolution I put forth around the question of worker ownership, members of this House do so again in this instance. By doing that, we will be putting in place in this province part of the progressive legislation this government is committed to and will continue to bring forward and champion.

The Deputy Speaker: Are there comments or questions?

Mr Phillips: I would like to comment on the member's remarks. First, it is a serious matter that is going to affect his riding in particular, and I did not appreciate what I thought were rather inappropriate comments about how many people were in the House. It demeans the case he wants to make.

On the substance of the matter, because Algoma will probably be the first organization that will use it, I say to the member that there are some significant concerns we have raised about ensuring that the people who are going to put their hard-earned savings into this thing have adequate protection.

The people who work at Algoma and perhaps a lot of the residents of Sault Ste Marie are putting significant money into this venture. I go back to what Bob White, the president of the CAW, said in expressing his concerns about it and raising cautions for all of us: "Why is the government ignoring this other OFL proposal? Why emphasize greater worker participation and then—without any apparent serious debate"—this is why we think it is important that this go to committee—"put forth a specific proposal that workers' representatives have already rejected?"

I say to the members opposite that the labour movement has had some significant reservations about this proposal. It happens that I think many of the elements of this proposal are worthy of support.

In the final analysis, the people who work at Algoma will want to be assured that they are not left holding the bag in the circumstances. They want to be assured that there is full disclosure, that they understand exactly what they are getting into and that as they put perhaps up to \$15,000 a year of their hard-earned money into this proposal, the people of Ontario, through their elected representatives, have assured them they have some protection and some full disclosure on exactly what they are getting into.

Hon Mr Wildman: I want to congratulate my colleague the member for Sault Ste Marie on his presentation on this legislation. Certainly the proposal for worker own-

ership and participation in the management of enterprises in this province is of central importance to Sault Ste Marie and the Algoma district as we see the very serious situation facing the steelworkers of Sault Ste Marie, Wawa and area. It is important also to the whole of the province.

In the words of my friend the member for Scarborough-Agincourt, it is indeed out of order to comment on the presence or absence of another member, so I will not draw your attention, Mr Speaker, to the absence of the Conservatives. Perhaps that indicates their interest in this type of legislation. I have not been able to locate any in the House. Again, that would be out of order, so I will not refer to it.

I want to say, though, that the comments made by my friend the member for Sault Ste Marie are most apropos, particularly when one considers that he himself introduced private member's legislation in this assembly that led to a debate very early on in the mandate of this government about the need for different mechanisms to allow for worker participation and ownership by both organized and unorganized workers.

I commend him for his dedication in this regard. One of the reasons we have been able to make some progress, although it has been slower than most of us would have wanted, in resolving the Algoma Steel situation and the future of the workers in Sault Ste Marie is the leadership that has been shown by the member for Sault Ste Marie.

Mr Bisson: The Minister of Natural Resources has pointed out the work the member for Sault Ste Marie has put into this type of legislation and into the whole concept. From our initial days of walking into this Legislature back in October 1990, the member for Sault Ste Marie was one of the members in our caucus who was most adamant on the need to be able to put together such a fund. He understood the realities of what was happening inside our economy. He realized the difficulties businesses were having in attaining capital to stave off takeover bids and the problems happening within the industry.

He really pushed quite a bit within our own caucus—and, I think, in discussions he has had with members of the opposition—to make sure such a program would come forward. I want to tip my hat to the member for Sault Ste Marie for standing up today in this Legislature and speaking in detail and quite eloquently on this bill.

The member is quite an extraordinary fellow in his approach to this whole issue, understanding the technicalities of it and the importance of being able to put a bill like this. I think it is an opportunity for us, at least on this side of the House, if the opposition will not join, to applaud the member for Sault Ste Marie on his efforts to be able to find a way of making sure such things like this happen. For that I applaud him.

1700

Mr Martin: I thank my colleagues for their kind remarks. I certainly thank the opposition members for the challenges they threw this way.

I would not suggest for a minute that this legislation is in any way going to be something soft that will allow people to participate in some way that does not reflect the

reality of doing business anywhere in the world today. Certainly there is risk involved. If my understanding of the person who is actually championing the restructuring of Algoma Steel at the moment, Leo Gerard, and his ability to lay it out as it is and he sees it is any indication of the reality with which the employees at Algoma Steel will be presented this particular new scenario, then they will not be going in there with any wool over their eyes or in any way misinformed or less informed than they should be.

I am personally looking forward to this going to committee so that we might have further discussion. As I said in my remarks, this legislation is not perfect, but it is certainly a good start towards what I think will be very good legislation down the line which will provide an opportunity for all of us who live and work in Ontario to participate more constructively and creatively in the economies we all depend on to create the jobs and provide the quality of life that we have all come to expect in this province.

Having said that, I again invite the members opposite to support us in this legislation. I would hope that when it comes to a vote they will all be here and that this will be good for us and for the constituencies we represent, and particularly for my own community of Sault Ste Marie.

Mr Cleary: I am also pleased to enter into this debate and I am also looking forward to getting this to committee. I also hope the government will weaken a bit and include all groups in the program, whether they are union or non-union. I know the \$100-million estimate that was brought forward in this difficult time may be very light.

Not to repeat what my colleagues have said earlier, but in our part of eastern Ontario we have had over 20 plant closures. We had a vehicle there, the Eastern Ontario Development Corp, that lent money interest-free to industry that wanted to expand or build. I hope the government will also look at that. That was one of the last incentives we had to keep companies on this side of the river and not locating in the United States.

We are losing many jobs to cross-border shopping and I have to blame the government. They are part of the cause. I introduced a private member's bill almost a year ago that would have given a tax break on gasoline at border communities. This government saw fit to stack the House that morning and vote that bill down.

Just a few short weeks ago the Minister of Industry, Trade and Technology happened to come to Cornwall, and he left a cheque for \$54,000. This was to help combat cross-border shopping. Yet my local service station operators came to me and they thought that was a very small donation to a community where the increased gas taxes this government had levied would be \$1.4 million.

The other Sunday night I happened to be at the Cornwall Civic Complex watching the traffic return from the United States. It was bumper to bumper. It was an inaugural meeting of the city council. That is the main thing the residents of Ontario go to the United States for, the gasoline, and yet this government sees fit—

The Deputy Speaker: I hate to interrupt the member for Cornwall, but you must speak to the bill.

Mr Cleary: I am just trying to say that this is all increase and losing jobs and that if we are shopping in the United States, we are going to lose jobs here, so we are going to have more participation in the plan.

I guess some of the other worries we have in the communities that will cause companies to restructure and maybe introduce employee participation in administration would be the increased hydro rates and the Labour Relations Act. Anyway, I think if all parties on all sides of the House work together on this, I do hope the government will listen and probably come up with a bill and legislation—I know it will be a lot more costly than \$100 million, but I do wish them well and we look forward to participating in that debate in committee.

Mr Bisson: Finally we have an opportunity today to get into the whole debate on some very important legislation under Bill 150. We have before us today a bill that basically does two things. Before getting into the explanation of what those two things are all about, namely, the labour-sponsored investment fund and also the worker ownership program, I would like to do a little bit of a journey to look at what has got us into this position of having to go out and really find some challenging solutions to be able to solve quite a difficult situation we find ourselves in generally in Canada and to a certain extent what we find here in North America.

Not too long ago, some 10, 15 or 20 years ago, Ontario and other regions within the country really prospered under a fairly strong economy. A lot of members in this Legislature would say that was because they happened to be the government at the time, but I would beg to differ. We happened to be in an economy that was expanding, that was growing, that was feeding the Vietnam War, to name a few things, and after that whole thing, what happened under Reagan and being able to field that industrial-military complex that was so necessary at the time in order to promote what was happening in the United States in regard to its foreign policy. It affected us greatly here in Ontario and we had an economy that was really feeding into all of that. We had a building economy.

But what happened, I guess, starting from about 1984—and I notice the members from the third party are not here to listen to this—is that we had really a change of landscape federally. I think there is no other way to explain it. We had a government come to Ottawa that had a mindset that the best way to make things happen was to do it its way, not to listen generally to Canadians from coast to coast about what they were concerned about when it came to problems of regional development within their particular areas of the country or problems that beset them as citizens of this country.

We have seen this federal government really go on to a journey that is, I would say, at the least is bizarre. They decided that one of the first things they should do was dismantle the Foreign Investment Review Agency. That happened without as much as a whimper within this country. I think most members would agree that the Foreign Investment Review Agency was a mechanism put in under the Liberal government that sat federally at the time that said if you are going to invest foreign dollars into this

country, there had to be a certain amount of guarantee of Canadian content and control. We recognized that basically we were a branch plant economy of the United States and some way or other we had to get some control of that economy so that we could really decide what we were going to do here, by and large, and create our own policies, both economic and social, within this country. For that I give credit to the then government, which happened to be a Liberal government federally under the leadership of Mr Trudeau.

When Mr Mulroney came in, he decided that—

Interjection.

Mr Bisson: Members behind me remind me that it was done in a time of opposition. I think most people will recognize that maybe that is the case. But what happened was that when Mr Mulroney came in, he said: "Listen, we're open for business. Let it rip. We're going to get rid of FIRA. We're going to allow capital to come in, but also outside of Canada, without any restrictions." So what we have today is basically an unrestricted right of capital. Basically capital has no allegiance in coming in and out of this country without there really being any say from the provincial governments or the federal government on how those dollars are going to be spent here in Canada, or if those dollars leave, what kinds of consequences that would have on our economy.

1710

I worked at a mine during the 1970s and 1980s in Timmins that at the time was owned by Noranda Mines. It was called Pamour. We were an employer. The employer I worked for at the time had an hourly rated workforce of some 1,400 employees with probably a staff of from 400 to 600 people. I might be a little bit off on my numbers, so I ask people to be patient on that.

The point is that as soon as the Foreign Investment Review Agency was dismantled, what we ended up having was that Noranda was allowed to divest that particular segment of its operation, sell it to a company that came from outside Canada—which would have been okay if it had really had an interest or had really maintained that employer as it was at the time, or at least given it a good attempt—and what we saw from there was a successful takeover and flip of that company, as if you were flipping properties, to the point that that company now, under the stewardship again of a Canadian company, Royal Oak Resources, which is really trying to make a go of it—I really have to give the present owner, Mrs Peggy Witte, some credit—and re-establish that company, but the long and the short of what FIRA did was to drop that employer from about 1,400 employees to down to some 200 or 300 now.

Not all that is just because of FIRA. It is a recognized fact that this particular mine operated with probably one of the lowest grades of gold of all gold mines in North America, but a contributing factor to what happened to that company was FIRA. I was one who experienced that as an employee of that company. I understand far too well what precipitated the decisions on the part of the company to do

what it did and eventually put us in the positions we were in.

We saw a federal government decide to go along with the whole idea of being able to support a high dollar and high interest rates. I do not need to speak on that very long. You do not have to be very brilliant to deduce that if interest rates are high, people do not go out and borrow money to be able to build homes, to invest in factories, to do all those things that are so necessary to drive this economy. In the same cost of the high dollar, nobody has to really be brilliant to figure out that if you have a high dollar it is extremely difficult to compete in the United States in the face of what is happening in the United States.

It is interesting to note that recently there was an article I read out in one of the American trade journals, basically saying that the low wages that are sustained within the southern United States can be considered a subsidy to what is happening within those industries.

We have seen a number of other things come along. We have seen the whole question of deregulation. The federal government of the day decided to deregulate the airline industry, the trucking industry and others. We have seen the effect of that today. The trucking industry in Ontario is quite in decline. I think it points to why it is necessary for us to go in the direction of making sure we have some capital to put into our province.

What has happened is a whole change of direction at the federal level away from what this country has always been used to. I would say this country has been one that has always wanted to have a balance between economic justice and social justice. I think what this Bill 150 does is bring in that other part of saying: "Yes, we recognize that to create good social policy you have to have dollars within the private sector. That is so necessary at the end to be able to drive and pay for the legislation we want."

I just said that because I want people to understand, before I get into the actual explanation of what these two bills are about, how we find ourselves in the position we are in right now. We find ourselves in that position because, yes, there has been a change of direction.

The members opposite have pointed to a couple of points within the worker ownership program and the labour-sponsored investment fund. I want to go through both these components of this one piece of legislation so people out there understand quite clearly what this is all about. I think most of the members within this Legislature would understand the bill well enough to be able to decide for themselves what is good or what is bad or what they can accept or not accept in this, but the people at home really need to understand what these two bills do.

There has been a bit of confusion on a couple of points, which I will return to at the end in order to get into this.

The first thing that is put into place is something that is called the worker ownership program. Very simply put, that is a fund by which employees are able to invest in their own employer to be able to save that company or, quite frankly, if there is a need because of other reasons, to be able to purchase their employer. The employer does not

have to be in a financial situation of closure for the worker ownership program to kick into place.

One of the things that is being said in the House is that this program is only good in those situations where companies are in trouble. Clearly, if all we can invest in is companies that are in trouble, I would wonder a little about that investment.

What the plan does is say to employees, unionized or non-unionized, in Ontario, "If you as workers have a need to invest and take over your employer, for whatever reason, and it is an agreeable takeover, you will be allowed to do that under this bill."

The bill sets out the following conditions. To be bought out, to get into this program, the eligible company has to meet a certain number of criteria. First, it has to be a taxable Canadian company doing business here in Ontario, or at least 25% of the salary dollars being paid by that company have to be paid to Ontario workers. If the company meets that criterion, any employees within that company, unionized or non-unionized, who want to group themselves together to put together an active bid to purchase that employer can do so.

If the employer and the employees come to an agreement—it is not a question of the employees going and saying, "We're buying you out"; the employer obviously has to want to sell—what will happen at that point is the provincial government will put a 20% return on the first \$3,500 that is invested on the part of each individual employee in that business. That 20% is a tax gift. It comes out of our share of income tax from the federal government in base Ontario tax dollars. For the money above \$3,500, up to \$15,000, the provincial government will then make a 30% gift on taxes. What you have is the first \$3,500 at 20% and the following, up to \$15,000, at 30%.

It is interesting to note that this is a provincial program. The federal government does not in any way contribute to this program. We certainly wish they would. If we could get the federal government to buy in on this, it would mean that employees investing in their own corporations would have not only the 20% for the first \$3,500 and the 30% above that from the provincial government but a matching contribution from the federal government. That would be a desirable situation. But up to now the federal government has not participated in that part of the plan.

As a provincial government, we are going ahead with that. Again, I make clear to the members of the opposition that you have to be a company that is taxable, resides in Canada and has 25% of its payroll being paid to Ontario workers. Each employee is allowed to invest up to a maximum of \$15,000. If you meet those criteria, that can go on.

What are the benefits of that? One of the benefits obviously is that the employer has a new source of capital. We have seen the situations in Kapuskasing, Elliot Lake and other places across the province, where the real problem the employer faced was either insolvency or difficulty in being able to raise the capital necessary to modernize the plant to remain competitive, and was not able to access the capital. This gives the employer another source of capital very directly. That is something important in today's econ-

omy. One of the biggest contributing difficulties business is having today is access to capital.

Dans les années passées, on le sait tous, en 1950, 1960, la personne qui voulait entrer dans le commerce, la petite ou moyenne entreprise, pour être capable de commencer une entreprise, si cette personne avait une bonne idée, un bon concept et qu'il y avait on va dire un banquier qui était assez ami avec la personne, elle avait la chance d'avoir un emprunt à la banque pour être capable de transformer son idée en réalité.

Mon père, qui a été propriétaire d'un petit commerce pendant des années dans ma circonscription, a travaillé 30 ans dans ce petit commerce où il avait trois ou quatre employés à la fois qui y gagnaient leur vie. Lui, avec quoi a-t-il commencé ? Il a commencé avec 40 \$ dans sa poche, une idée et le désir d'avoir du succès dans son commerce. Il est allé à la banque et la banque a dit : «Oui, on a confiance en toi. On te donne une chance.»

Avec ça, pendant 30 ans mon père a tenu un petit commerce dans ma circonscription et en même temps il a créé des emplois pour d'autres personnes. Le point que je veux faire c'est qu'il est très difficile pour cette même personne d'il y a 20 ou 30 ans d'aller aujourd'hui au même banquier et dire : «J'ai une bonne idée. J'ai 40 \$ dans ma poche et je veux commencer un petit commerce.» Le banquier dira : «Bye-bye. Viens nous voir quand il y a au moins 20 % ou 30 % d'équité dans ta compagnie et là, possiblement, on va te parler.» Ce projet de loi donne la chance à l'employeur d'aller chercher du capital.

1720

L'une des bonnes affaires qui arrivent c'est que les employeurs ont la chance possiblement de faire à ce que leurs jobs soient plus sécurisés. Si la compagnie a des difficultés, comme ce qui est arrivé dernièrement à Kimberly-Clark à Kapuskasing, l'employeur décide : «On ne fait plus de commerce dans ce coin-ci ; on a eu des raisons des entreprises, qui nous disent, "On va aller ailleurs."»

Premièrement, les employés avaient besoin de ramasser de l'argent pour être capable de mettre en place l'argent nécessaire comme leur partie du deal pour acheter Kimberly-Clark, mais en même temps les employés ont besoin de rechercher pas mal d'argent pour investir dans leur compagnie.

Où aller chercher le capital ? Dans les banques, possiblement, mais aussi à travers ce projet de loi. On a la possibilité de former ce qui est appelé en anglais «labour-sponsored investment fund», un fonds du patrimoine d'investissement pour les travailleurs, la chance d'aller chercher du capital nécessaire pour investir dans nos compagnies.

Je pense que l'affaire la plus importante c'est qu'on se trouve aujourd'hui dans une situation où il est nécessaire que les employeurs et les travailleurs se retrouvent. La compétition globale aujourd'hui est très féroce. On le sait tous. Les députés de l'opposition nous le disent chaque jour. Moi j'ai travaillé dans le secteur. Je comprends bien que, quand on parle de la compétition, si on ne fait pas d'argent dans une entreprise ça ferme les portes et on est parti. D'abord on a besoin de s'assurer d'une compétence dans la gérance de la compagnie, et il y a une meilleure manière de donner la chance aux employés d'avoir un peu

de pouvoir dans les décisions qui sont prises dans leur compagnie.

Si l'employé est content, il pense : «Oui, je peux faire une différence dans cette compagnie-ci», et ce travailleur va travailler plus fort. S'il travaille plus fort, ça donne à la compagnie une meilleure chance d'être productrice et tout le monde en gagne. La communauté et la compagnie se retrouvent.

I think it is an excellent idea in that term.

The second part of the program is a labour-sponsored investment fund. We have to be clear on this. Let me first explain how this works. I want to come back to one of the points the opposition has been raising just to clear it up. First, the way this program works is that a trade union must sponsor a labour-sponsored investment fund within Ontario. The way that works is that basically it is a federal-provincial program. An employee is allowed to invest up to \$3,500 in that particular fund. In return for investing up to \$3,500 maximum, that employee will get a 20% tax credit towards his income tax at the end of the year from the federal government and a 20% tax credit from the provincial government at the end of the year for a total of 40%.

In order to be able to invest that money, the company has to be eligible. How is a company eligible? First, 50% of the employees of that company have to be working and residing in Ontario. In other words, if you invest money, that company has to have 50% of its workforce based in Ontario. The company cannot have more than \$35 million in assets and cannot have any more than 500 employees working within that particular company. If the employer meets those criteria, a labour-sponsored investment fund can be set up through a trade union in order to be able to put together a labour investment fund that can be invested in that company.

Members opposite have been saying the government is wrong because this is strictly a program that is aimed towards putting together an investment fund from the trade union sector. We need to be clear that the federal regulation, set out through the federal government, says that an investment fund of this nature must be sponsored through a trade union in order to qualify for the 20% it is giving towards tax credits. I hope the federal government will change that position, and other co-operatives or whatever other format can be done could be put together in order to get that 20%.

Members opposite have said Saskatchewan, British Columbia and others have this in their legislation, but the federal government does not pay the 20% towards that investment if it is invested outside the trade union sector. In other words, if it is not a trade union that has a labour investment fund in place, if you live in Saskatchewan and you invest in it, you will only get the provincial dollars, if you get any at all. I would have to check on that fact, but I know they do not get the federal matching dollars. They do not get that 20% from the federal government.

Let's hope that together, the members opposite from all parties, from the opposition, from the Liberals and the Tories and ourselves will be able to convince the federal government to do otherwise. God knows, everybody in

Canada has been trying to change their minds, but it does not seem to be working. Let's hope we are more successful.

The other point is that in each labour-sponsored investment fund you are only allowed to invest up to 10% of the total assets of that company. Why? Because this fund is not intended to be a source of capital in order to run on takeovers from one end to the other. It is an opportunity for employers to go and find some money to be able to invest inside their companies for restructuring, for modernization of their plant or whatever it might be.

The other thing is, the investors of that fund have to be restricted to a minority position of shareholders, for the same reasons I pointed out a little while ago. There is a way the shareholders can become the majority shareholders in that particular situation. We said you are only allowed to invest up to 10% in any one particular company. Under the minister's permission you can go further, but you can only go further in certain situations and those situations are if you are trying to prevent insolvency or a takeover. Then that money can be utilized in order to stop the run on that company, if this is something that is desirable. A situation might be whatever, and somebody can draw a scenario to that one if they want. As a rule, 10% is the maximum amount of money you can be able to do in that.

The whole idea of these two programs is basically to instil a certain amount of confidence, number one, within our economy through the ability to be able to raise capital. If we can raise capital and make capital possible to the companies within this province, it is obviously something that is desirable.

I think most of the members opposite have gotten up and spoken in favour of this bill. I welcome that. They see that this is a positive thing and that in the end, if all the members come together and take a look at ways of amending this bill and making it a better piece of legislation, I am sure the members on this side of the House will certainly listen.

Une chose qui est arrivée justement c'est que le projet de loi qu'on a devant nous aujourd'hui a été mis en place après des consultations auprès de la population ontarienne. Une consultation pas mal extensive a été faite partout en province. Nous avons parlé aux employeurs, aux travailleurs et autres de cette province. C'est après cette consultation-là que finalement le gouvernement a mis en place cette législation qui, je peux dire, a changé depuis le concept initial qui a été mis en place lors de cette idée.

L'autre point que j'aimerais faire avant de finir c'est que ceci n'est pas une nouvelle idée. On sait que dans la province de Québec, un fonds de patrimoine pour les travailleurs est fait par les syndicats de la province et que d'autres provinces ont des programmes qui font pas mal la même affaire, comme en Saskatchewan et en Colombie-Britannique.

Je peux dire avec fierté que ça a pris un gouvernement néo-démocrate en Ontario en 1991 pour avoir le bon sens de voir que de tels programmes peuvent être vraiment bénéfiques aux travailleurs et aux entreprises.

Avec ça, je me trouve très fier de pouvoir dire oui, une autre solution un peu différente parce que le NPD est

différent : on trouve des solutions qui peuvent amener, à la fin de la journée, à résoudre des problèmes qu'on a concernant l'économie dans la province.

I invite all members to participate in this debate and to recommend to the government points that would amend this legislation to make it better. I welcome members to participate in that debate in being able to put together something that, quite frankly, at the end of the day could be a very positive thing to the economy of Ontario.

The members opposite talk about the \$100 million dollars this will cost the government. Yes, if there are investments of a significant portion that we expect to have, it will be \$100 million lost in tax revenues. But what it means is \$500 million in new investment directly to the enterprises within Ontario. For that, I think it is well worth the price and I welcome all members in the debate.

1730

Mr Phillips: Just to comment on that, I was pleased the government member suggested the government would have no difficulty with broadening the participation of the venture capital beyond unions. I think that is a helpful comment, as it is my understanding, by the way, that in Saskatchewan and British Columbia the federal 20% tax credit is available to other employee groups besides unions who sponsor the funds.

I say to the member that I think he can appreciate the concern many have about protecting the investors. I think this is what held the OFL back for so many years. This very proposal was debated many times in the OFL. I followed it very carefully and the member was probably there at that debate.

I think the OFL's concern was that, as you invest in your firm, the firm you are working in, for a while it becomes an investment to help keep your job. Then, if things are going badly, you are in double jeopardy because you not only are attempting to keep your job but you have an enormous amount of your own personal savings invested in there.

If by chance the employees are participating in a firm that has long-term difficulty, if we have not protected those investors, those employees, well with full disclosure, we put them in an intolerable position, because now not only are they concerned that this is where they have to keep investing to save their job, but they have their whole life savings also invested in it. You can imagine the terrible agony that would put someone in. I hope the members can appreciate why we on this side are so interested in ensuring proper disclosure and proper investor knowledge.

Mr Bisson: Just on what I would term the double jeopardy question the member raises across the floor, if I understand correctly what he is saying, the concern is that not only would the worker be in a position of losing his job but possibly having to lose his investment. Listen, in a free market economy, there is no such thing as a safe investment. If I go out as a person and I decide to invest \$10,000 into the stock market or \$10,000 in a small business, I am taking a chance on losing that \$10,000. There is no such thing as a safe investment.

On the question of double jeopardy—is the employee put at risk because of investing within his own company?—that is a risk I think the workers have to decide whether they want to take or not. It is not one for us to decide. If the employees at the end of the day decide it is a good deal, as they did in Kapuskasing—they raised \$15 million within that community, of which over \$10 million was raised within that particular plant. That is a decision they decided to take. A shot was better than no shot at all.

My guess is that company has a far better chance of succeeding down the road because the workers are involved. Nobody has a monopoly on good management. I used to service all employers in northeastern Ontario, from the big ones to the small ones, when I was a member of the Ontario Federation of Labour as a staffer, and nobody has a monopoly on good management. All I know is that when employees feel as if they can participate in the decision-making process and they have a say in what happens within their plant, then those employees are more likely to be able to understand why they need to do the things they do in order to make them more productive. I think that is a desirable effect, and that is what the effect of this legislation would be. The fund would make it possible for that whole scenario to be set up. For that, I think it is a good thing.

Mr Offer: I am pleased to join in the debate on this particular piece of legislation. I think it is an important piece of legislation, and certainly members of my caucus have spoken in support of the legislation and its principle but have also expressed some concern, some reservations, about some aspects of the legislation. We are certainly hopeful that in the ensuing time we can bring out some of the concerns we have and make the bill a better bill.

What I would like to talk about is really that part of the bill which talks about the venture capital. As the Labour critic for our party, I guess it is no surprise to me or to any member of this Legislature or to a number of people watching that we are going through a very difficult time in the province. A great many jobs have been lost and we all recognize that these jobs are not coming back in a cyclical form, but rather there has been a lot of job disappearance. One of the purposes of the bill is maybe to curtail some of that job disappearance, and do so by allowing the workers in a particular company, through venture capital, to keep a company in existence which otherwise might have closed down. I think, on the face of it, many people here would agree that is a laudable course of action. However, in moving towards that goal, that hopeful end result, we must not unwittingly provide and create some very strong and large difficulties for the workers who are part of that company.

Let me explain. As I have indicated, we have gone through and are continuing to go through a very difficult and deep recession. Something in the area of 300,000 jobs have been lost in the province, and we know that the jobs that have been lost have disappeared. People, for the first time in their lives, are out of work, and this particular piece of legislation speaks to the issue where a company which is having difficulties, which requires capital, may look to

its own workers to provide that necessary capital to allow the company to continue.

I guess people would say, "Well, that sounds good and it looks good and it feels good," but the fact is that we have to take a look at what type of protections are being given to the workers. We cannot divorce ourselves from this area. These are workers who would be in a company that is having difficulties. Workers on the floor will know of that difficulty. There will not be the type of orderly discussion without the threat of loss of jobs to proceed. People will be looking very quickly, very hard, at, "How can I keep this company running?" So there will be this bill in place, which potentially will allow workers to invest their dollars.

Why are they investing their dollars? They are investing their dollars because they want to keep their jobs. That is what this is about. They want to keep their jobs. At the end of their work day they are going home. They are opening up the refrigerator. They want to see milk, they want to see butter. They want to be able to feed their family, so their main concern is, "Can I keep the company in operation so that I can receive a paycheque so that I can provide for my family?" That is understandable.

But the question and concern we have is, what protection is being given to those workers that before they invest in the company that they work to keep running they will be fully apprised of all the risks of the investment? That is an important aspect, and I see the legislation, in substance, deficient in that area. I do not see the protection being given to those potential investors who are employees of a company to make certain that the company they are investing in, which is the one they work for, is viable, that there is a prospect of success, that the company will not be running into problems a year or two down the line, that there will not be a further call for dollars. That is where this bill, I believe, is lacking.

1740

In moving towards a hoped for or stated desire, it is in many ways really putting at risk the interests of the workers—the people they are hoping to protect—because those who invest, whether they be the workers of the company investing in their own company or any other people, it is important that before they invest dollars they are apprised of the status of the company right at that point in time, how the future looks for the company, and what the prospects for that company to survive, to continue to exist, to potentially expand, will be.

For a bill to just say, "You have this right to invest in the company so that in essence you will be able to protect your own job," I think needs some work. It needs some work to make certain that the people who do invest, the workers of the company, are protected, that they are given all the information necessary before they make the investment. The bill must be clear. It may be that a worker in a company, even if his or her job is at stake, after being given the information as to the prospects of future success for the company and being told, for instance, "Even with your investment the prospects are not good for the company," may choose not to invest, even though he or she is putting his or her job at risk. That is an option that must be

given to the workers. They must know the status of their company. They must know the potential liability they are taking when they invest. This bill does not do that.

We know, for instance, that there are new liabilities that are being foisted on investors all the time. There is an environmental liability, and that represents an important form of risk. It is a risk an investor may be liable for as a result of a company contaminating property and having to clean it up. What I am trying to get at is that the risk is not just the thousands of dollars the employee has invested in the company. That is surely one risk. That risk will be secured or unsecured as the company is or is not successful. But there are other risks that we in this Legislature and through legislation must make certain the employees know. That may be, for instance, environmental risk. What is the risk to the investor, the employee, of a company that may be liable to clean up contaminated property? What does that mean? He may have his job but he may find himself with an incredible personal liability upon himself. This bill, though permitting employees to invest, does not really safeguard the employees' rights.

What we have been saying in this Legislature from this side of the House is that yes, we understand the purpose of the bill, but we also understand that in moving towards that purpose we cannot unwittingly put the employees' interests in jeopardy. The way we can do that is to make certain the bill safeguards the interests and the rights of the employees. It can do so by making certain there is full disclosure to the employees before they make the investment.

They must be aware of their liability, not only in terms of the money they invest—they will know that—but also in terms of a whole raft of legislation that the business community knows full well. The employees must be given that information. This bill is lacking because it does not mandate that type of information to be given to the employees. We know that when an employee is in a company that might be having some difficulty, he is going to be worried about retaining his job and may make a bad investment. The member for Cochrane South alluded to the fact that there are risks in everything. I understand that. But I also hope the government member understands we are talking about employees of companies in difficulty. They are not companies that are moving along happily and expanding. These are companies in difficulty. As a result, there has to be some safeguard for those employees so that after being given the status or position of a company and the potential liability the employees may suffer, not only from their investment but in terms of a raft of environmental legislation, they may decide not to invest in the company.

That is the choice of the employee—I understand that—but let's make certain the legislation gives that information to the employee. Let's not hold out a piece of legislation saying, "You can do this, you will receive a tax credit and your job will be secure," without saying: "As a result of your investment, the company may not be any more protected and you may be liable in other areas. If you want to invest, do so with your eyes open and with the protection of legislation."

The legislation here does not provide that protection. It provides the road to make the investment, but it does not

provide the safeguards on the road. That is extremely important. We have to realize we are not talking about employees in companies that are not having difficulties. We are talking about employees in companies with difficulties. There is a whole area of concern. It is human nature. People want to save their job. They want to provide for their family. They get concerned. They have a whole feeling of insecurity when they think their job is at risk.

We do not want people jumping into an investment. We do not want to dangle, "Your job is going to be safe and secure for ever and a day." We want to make certain that if employees take advantage of the tax credit situation proposed in Bill 150, they are also fully aware of what the risks and ramifications of the investment are. We then have to be very clear that employees must be aware that does not necessarily guarantee their job. It does not necessarily make a bad company good. It does not necessarily make an uncompetitive company competitive. It does not necessarily make a company with outdated and outmoded machinery and capital a company with up-to-date capital. Employees have to know that before they pay the dollars.

There is a responsibility on the part of the government. Certainly we will be saying this on the opposition side, that there is a responsibility to make sure those safeguards are there in legislation. But we also have to make certain, because of our tax credits, that we are talking about taxpayers' dollars. We are not just talking about that employee making the investment. As he or she does so, there is a tax credit. That tax credit results in fewer dollars to the government. It is something that is paid for, in small way, by all taxpayers of the province.

There is an obligation to make certain in the legislation that everyone is protected. We are not saying not to make the investment. We are saying that before you make the investment, make certain the legislation gives to the employee all the information to make a choice.

1750

I want to deal very briefly with a concern I have with the legislation apart from the increased protection for the employee. I have heard members from the government side talk about how this venture capital can be taken advantage of by labour. In my respectful opinion, that is not correct. What they are alluding to is unionized labour.

The Minister of Labour is here, and he will know that the unionized component of labour in this province is around the 30% mark. The vast majority, approximately 70%, is not organized, is not unionized, so I suggest that for the government to say labour can take part in the purchase of this venture capital program is not actually correct. What they are saying is that unionized labour, organized labour, can take part, because that is what the bill says. The bill excludes those aspects of the labour market that are not unionized, so a vast majority of the labour market is excluded from that part of the bill.

Other provinces which have similar pieces of legislation—and it has been mentioned earlier—such as Saskatchewan and British Columbia, do not have that limitation. The opportunity for the employees to take part in venture capital to save their particular companies is not limited to just

organized, unionized labour but applies to a whole variety of employee associations.

I think we have to look very carefully and hard at why that is not here. Why does Bill 150 not apply to the larger labour market, the 70% of the men and women who are not unionized? Why does Bill 150 apply to only the 30% who are unionized? I believe we have to make certain this bill does apply to all. I believe we have to follow in many ways the examples shown in British Columbia and Saskatchewan. They saw no problem in expanding the opportunity for labour to take part, but they saw that it should not be focused just on unionized labour.

Our labour force is represented 30% by the unionized worker; 70% is not unionized. Why should we exclude 70% of the labour force of the province, as Bill 150 does? Why should those employees not have the same opportunities that the unionized workers have in the province? What could the reason be for the government to exclude fully 70% of the men and women who work in Ontario?

We are not saying that everyone is going to take advantage of Bill 150's purpose. What we are saying is that everyone should have the opportunity to take part and in so doing, before they take part, they must be apprised of all the risks of investment. It is not enough, in my opinion, for the member for Cochrane South to say, "A risk is a risk is a risk." You just cannot do that. You cannot be that hard. You cannot be that callous. You have to provide to those workers who may invest what the ups and downs are, what the possibilities are for the company to succeed next year. What are the long-term plans in terms of modernizing a company? What are the risks involved in environmental protection, cleaning up contaminated property? These are the questions and the issues I believe a bill such as Bill 150 must ensure as information to those potential investors.

These are people who are working in companies that are at risk. They feel it. Those people watching on television who may have lost their jobs or know of people who have lost their jobs know full well what I am speaking about. It is not just dollars and cents on a piece of paper, it is an insecurity. It is a feeling as to: "What can I do to save my job? What can I do to make certain I can provide for my family?"

When they look at those things, we want to make certain, if they take advantage of Bill 150, they do so with their eyes open, they recognize all the problems, all the ups, all the downs, all the implications, all the ramifications, all the possible liability questions and then make the decision. That is fair ball. Let those who wish to make an investment do so knowing exactly what the risks are. For a bill to provide the vehicle to make that investment without providing protection to the employee making the investment is lacking. We will be making certain as best we can that the bill is refined to provide that type of protection.

I reiterate that I have serious concerns about a bill that is so limited in nature. I have serious concerns about a province with a workforce of 70% unorganized, non-unionized labour not being able to take advantage. Do we think for a moment that employees, even if they are not unionized, do not care for the company for which they work? If their company is having difficulty, do they not

want to try to save that company as much as a unionized worker, to try to make that company is competitive, to try to modernize that company? Why should we in this Legislature, with the way our workforce is made up, exclude fully 70% of the men and women who works in this province? I think that is not right. I think the legislation is lacking because it shuts the door on the nonunionized worker.

We believe, as did Saskatchewan and British Columbia, that there are other workers in this province who care about their company, who want to try to maintain that company in tough times, and they should be given the opportunity to do so. Bill 150 shuts the door on 70% of the workforce in the province. We believe it must be expanded to incorporate all those workers. We recognize that a bill that is narrowly focused on the unionized worker means it is lacking in terms of the realities of the workforce in this province.

I believe these are issues which must be addressed in committee. We must make certain this bill is applicable to all workers in this province, not just unionized workers. We must recognize that an employee who is not unionized cares as much and as deeply as a worker who is unionized about his or her company and his or her job. A bill which does not reflect that—and this bill does not at this time—is sadly lacking. Certainly we agree with the vehicle itself, but the government of the province must make certain that this bill applies equally to non-unionized and unionized workers. The market demands it; the reality of this province expects it. To do anything less is to do a disservice to those men and women who do not happen to be unionized.

Last, we must absolutely make certain before anyone makes an investment as an employee through Bill 150 that this legislation carries the protections to that person, so that when he makes the investment, he is fully apprised as to the standing of the company, its prospects for future success and the potential liability he may expect, not only through his investment but through the interplay of other pieces of legislation. Again, for a piece of legislation not to address those issues is sadly lacking.

Certainly, the bill provides a framework we can approve in principle, but a great deal of work has to be done in order to make certain that all employees are covered and all employees receive the protection of investment they deserve.

1800

Hon Ms Wark-Martyn: I would like to have the opportunity to respond to the members opposite. I noticed many of them have been quoting the BC and Saskatchewan model and I would like to clarify some information for them. The legislation in the other provinces allows employee groups to be certified as an employee organization, which would enable them to establish an investment fund as though they were trade unions.

However, there is a federal government requirement that only funds sponsored by trade unions would qualify for federal matching tax credits. As of this date there have been no investment funds established by non-union groups in other provinces, including BC and Saskatchewan. None

of the other provinces has allowed any group other than a trade union to establish an investment fund, because those non-union-sponsored funds would not comply with the federal requirement and therefore would not qualify for federal matching tax credits. That is why we have the other fund that will qualify them as non-union people to buy into their business.

The other thing I would like to comment on is the protection we do have for people wishing to invest in their company. There is an advisory board made up of union, business and government people who will provide advice. There has also been some advice that will be given by the Minister of Industry, Trade and Technology, I believe, to all workers to have a feasibility study done so that they will know what they are investing in.

I must also add that if a company is in financial difficulty and is not going to survive, at least if the workers see that making an investment in their company will protect their jobs, they will do that. They would rather have a job and feel part of the process than let their company fall down around them. We are giving them that opportunity with this legislation.

Mr Phillips: I congratulate my colleague on his thoughtful comments. I think what is required, as he points out, is that this bill should go to committee for clarification, because it is clear from the research we have done that my colleague is absolutely right that in Saskatchewan unions, co-operatives and groups of employees are allowed to set up these venture funds. As well, funds established under the Saskatchewan program are eligible for provincial and federal tax credits. It is clear that in Saskatchewan various employee groups are permitted to set up these venture capital funds, not just, as this legislation does, make it available only to unions to set up the venture capital programs. Similarly, in British Columbia it is exactly the same.

The other thing I would say, in reinforcing what my colleague said, is that the comment of the Ontario Securities Commission, which has the responsibility of ensuring that the people of this province have full access to information as they are investing, was, as I understand and have read, that it has worries about this. They said they would approve the Kapuskasing arrangement as a one-time-only deal, but what they want to do is to ensure, as my colleague said, that this legislation provides for the investors the proper disclosure and the proper information so that the investors putting money into this are assured that they will have the same rights and the same knowledge that other investors in the province have.

Based on information we have, the government is still somewhat confused about who qualifies and who does not. I think my colleague has spelled it out very well and I compliment him for his remarks.

Mr Harris: Mr Speaker, I appreciate your following a rotation in these matters.

I was very disturbed to hear the minister, in response to the very thoughtful comments that were put forward, saying, "The only reason we're limiting this to unions and employees who are members of a union is because of our good friend Brian Mulroney and the federal government."

I do not know why it is that this New Democratic Party government hides behind and wants to be lockstep with Brian Mulroney and the federal government every step of the way.

Surely here we have an opportunity to say—if indeed the minister's interpretation is correct; we have had considerable dissenting opinion that in fact in other provinces other employee groups are eligible, even if they are not members of a union. But what does that have to do with Ontario's 20% tax credit? What is the matter with Ontario leading the way, and if we disagree with Brian Mulroney and the federal government, so be it. If we say it should not be limited just to big unions, so be it.

I am tired of this minister and this government saying: "Brian and I do it this way. This is the way Brian and I want to do it. Therefore, we can't strike out on our own." We can strike out on our own. We can breathe a breath of fresh air for democracy and for all workers in this province. The government has an opportunity right now to do that, and we will assist it.

Mr B. Ward: I would like to thank the member for the thoughtful debate on this issue. However, I had one concern, and that was around the fact that it was apparent, at least to me—he was inferring this bill would mean that all workers who invested in this fund would be backing or supporting companies that would no longer be relevant in the marketplace and in fact would be bad investments.

I have a plant in Brantford where the employees are investigating the purchase of the company from the owners, and it is not because it is not a viable company, but simply because the owners want to retire. The plant is viable, and if this bill was in place, it would be of tremendous benefit to those employees in their attempts to raise the capital to be able to purchase this plant.

I just wanted to point out that there are good instances where this bill would be of benefit, and I think that can be spread throughout the province. It is not just isolated in my riding of Brantford. I just wanted to point that out to the member.

Mr Offer: I would like to thank those members who took part in the two minutes available to them.

I certainly would like to reiterate the point made by the member for Scarborough-Agincourt. According to the latest information we have received, the fund and the establishment of this type of a program in Saskatchewan are eligible for provincial and federal tax credits, and there is not the type of concern that was raised by the ministry and the Minister of Revenue.

I would like to thank the leader of the third party for his thoughts, because I think he clearly brings forward the fact that it is not acceptable that a government in this province continue to look at others as the cause of its difficulties. There are 300,000 people that have lost their jobs in this province, many of whose jobs have disappeared. Not just those people, but the many small businesses that are still in existence are looking to the government to say: "This is our plan. This is how we want to create wealth. This is how we want to be able to expand in this province."

It is no answer for a government of Ontario to say: "This is not our fault. This is not our responsibility." It is their responsibility to act, and if they are unable or incapable, they should just say so and take the ramifications of that.

We have concerns about the bill. We have brought forward those types of concerns. We believe the bill can be improved. We expect the bill to be improved through committee.

[Report continues in volume B]

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100B 1991

ISSN 1180-2987

Legislative Assembly of Ontario

First Session, 35th Parliament

Official Report of Debates (Hansard)

Tuesday 17 December 1991

Speaker
Honourable David Warner

Clerk
Claude L. DesRosiers

Assemblée législative de l'Ontario

Première session, 35^e législature

Journal des débats (Hansard)

Le mardi 17 décembre 1991

Président
L'honorable David Warner

Greffier
Claude L. DesRosiers



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LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday 17 December 1991

[Report continued from volume A]

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LABOUR SPONSORED VENTURE CAPITAL CORPORATIONS ACT, 1991

LOI DE 1991 SUR LES CORPORATIONS À CAPITAL DE RISQUE DE TRAVAILLEURS

Continuing the debate on the motion for second reading of Bill 150, An Act to provide for the Creation and Registration of Labour Sponsored Venture Capital Corporations to Invest in Eligible Ontario Businesses and to make certain other amendments / *Projet de loi 150, Loi prévoyant la création et l'inscription de corporations à capital de risque de travailleurs aux fins d'investissement dans des entreprises ontariennes admissibles et apportant des modifications corrélatives.*

Mr Sterling: First, I would like to thank the officials of the Ministry of Revenue who were kind enough to try to explain this bill to us. I say "try" because they were able to answer all our questions save and except for some of the inconsistencies, which were no doubt politically driven.

There are two reasons for a Conservative to perhaps support this kind of legislation. The first is that Conservatives generally believe that all people in the country should look at investing in different kinds of investments. We should not just think about investing in our homes and our cars, but we should try to spread the view of potential investments to include companies. So we find some positive aspects to this in terms of saying this will entice some people into investment, and perhaps after they go through this experience, if successful, they will look to another kind of investment.

The second reason we are tempted to support this legislation is because Bob White is against it. I understand Bob White and the Ontario Federation of Labour are against this legislation. If Bob White is against it, then there is probably some good reason for us to support it. For those two reasons we find the concept of the legislation somewhat attractive.

We have talked about some of the other provinces and what they have been doing. It is important to note there is perhaps some lack of clarity as to what other provinces are providing, but it is clear that in British Columbia not only unions but other groups of employees—I think the definition within its act is "a group of people with a work-related affiliation"—other than unions have the opportunity to participate in their investment program.

Therefore, we will be pushing and prodding and insisting that the legislation we have in front of us here contain a similar provision. It may mean that an investor who does not invest through a union-sponsored fund would only get a 20% grant from Ontario as opposed to a 40% grant, 20% from the province and 20% from the federal government, but at least it would provide an opportunity for those employees and people working in the same area to set up an

investment fund and not have to be restricted by the fact that they are not members of a union.

There are two plans outlined in Bill 150. The first is a very complex plan. It is a plan which allows a group of workers to buy out a plant in their own area where they work. The people who are members of the corporation which buys out this plant must be employees of that corporation, so the people who are controlling it cannot come from outside. It is possible for other people to invest in this corporation, but they do not get the substantial tax breaks this legislation gives for the employee buyout option.

We are not talking small potatoes here. We are talking a significant amount of taxpayers' dollars that are going towards these employee buyout kinds of situations. In fact, a single employee can receive from this government upwards of \$41,500 in taxpayers' money in order to allow him to invest in the company of which he is a member over a 10-year period. That is a significant amount of money.

We do not necessarily disagree with the government encouraging people to invest, but one thing we must remember is that in all of these situations where we have an employee buyout we are not creating new jobs. We are maintaining a job that is in existence, but the government is not necessarily going to get a new job by injecting taxpayers' dollars through this first plan. Therefore, we have some difficulty in saying this is necessarily a good thing.

The second part we object to very greatly is the setting up of a committee comprised, I believe, of a business representative, a labour representative and a government representative to look over the proposals brought forward under this scheme and to basically approve these proposals. The problem with that is that under the legislation, as with any kind of investment scheme where somebody off the street might start a company, a prospectus has to be prepared.

You have to prepare a prospectus so that the potential investors know what they are investing in. That has to be prepared. The shares in the employee company taking it over have to be bought through a registered stock salesperson. They have to go through the Ontario Securities Commission training or they have to go down and buy the stock from a broker.

So there is a prospectus and the safety of going through a broker or a trained person to advise the investor as to what he has invested in, but the government has injected a third step, some kind of quasi-government sanction of this investment that the investor is putting his hard-earned dollars into. He is being enticed by the government into making this investment, because he is getting back up to 30% of every dollar he is putting down.

Mr Chiarelli: On a point of order, Mr Speaker: Do we have a quorum in the House?

The Deputy Speaker: I will ask the table to find out.

Clerk Assistant: A quorum is not present, Mr Speaker.

The Deputy Speaker ordered the bells rung.

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Clerk Assistant: A quorum is present, Mr Speaker.

The Deputy Speaker: A quorum is present. The member for Carleton.

Mr Sterling: Maybe on a point of order, if there is not a quorum present, Mr Speaker, does that require me to go back to the beginning and start over again?

The Deputy Speaker: No.

Interjections.

Mr Chiarelli: You guys should stay. It's really a good speech.

Mr Sterling: I thank the member for Ottawa West for his confidence in my presentation.

Under this plan, the proposed investment by the employees to buy out the business must be reviewed and evaluated by a board representing labour, business and government. It is to be called the Employee Ownership Advisory Board. The board will report to and advise the Ministry of Industry, Trade and Technology on whether the proposed investment in the business is reasonably commercially viable over the period covered by the business plan. Qualifying proposals will be recommended by the Ministry of Industry, Trade and Technology for approval by the Lieutenant Governor in Council.

The problem with this is if the plan is set out to hit at investors who do not normally invest in this kind of investment, stocks, we are going to have fairly unsophisticated investors. We are going to entice them into putting out \$15,000 a year, and they are going to get back up to \$4,150 a year from the Ontario government to get into this plan, to invest.

I know from the experience I have had on both sides of this Legislature that there is a tendency for the public—if the government gets involved in stamping its approval on a document or saying that it has licensed this mortgage broker or that it has in some ways approved the activity or the investment or the condition surrounding a particular idea, what happens if that investment goes sour? Guess whose door they knock at for reimbursement? It would not take the investors of this kind of corporation 10 minutes before they would be back at the door of the Ontario government saying: "You said this was a viable investment. You advised us to put our life savings into this investment."

I think that employees and workers who have put their money into this investment will look at it as a government-guaranteed investment, and it is all up sides. You put \$15,000 down, get \$4,150 back and it is a no-loss investment. Therefore, we have a great deal of problems with an advisory board and the Minister of Industry, Trade and Technology standing in his place or signing the document and having the Lieutenant Governor in Council approving the investment.

Interjection.

Mr Sterling: I do not care what is in writing. It does not matter what is in writing. People do not care what is happening in writing.

If you go back to the 1980-81 Astra/Re-Mor Trust situation, the people who lost their money in Re-Mor Trust did not care that there was not any guarantee on paper. They

did not care that under the regulations they were not guaranteed their investment if they gave it to a mortgage broker. They cared that the government of Ontario licensed that mortgage broker, and they interpreted that licensing function to be a guarantee for their investment. This is what is basically going to be the spinoff of this kind of setup whereby the government is required to approve the investment.

I think that the government should not consider whether or not it is a viable business plan. I think the investors, as in any other kind of investment, should be required to look at the prospectus, get advice as to whether or not they should invest in this particular corporation and make their choice on the basis of that information. The government should have its hands out of the approval process in terms of the viability of the commercial proposal.

Let's take a for instance, because I believe this particular plan is set up for the Algoma situation. If people in Algoma invest their life savings in Algoma Steel, God forbid it should happen, but if the company fails and there is some indication, of course, that all things are not rosy with Algoma Steel, that the reason for any of these employee takeovers is—well, it can be twofold. It can be (1) an employer trying to sell out his interest to a very viable buyer now because it is government subsidized or (2) a situation where the employer no longer can operate the business in a reasonable fashion.

If the latter is the case and if this happens in Algoma Steel and you have workers who put their life savings into the corporation which takes over Algoma Steel and Algoma Steel fails, do members not think those workers will be back at the doors of the Ontario government and asking for their investment back? They will not be asking just for the \$4,150; they will be asking for the \$15,000 they have invested. That is per year, and that investment could go up to as high as \$150,000 per worker. So we have a great deal of difficulty with that approval function.

I guess the other area with regard to the first type of investment proposal in this plan, that is, the worker buyout of their own plant, is the approval process for setting this in motion. As we read section 4 of the act, it is either unclear to us what that approval process is or we are objecting to subsection 4(2) of that act on the basis of its not being democratic and not giving the workers who are involved in the process an opportunity to make their decision evenhandedly and in a manner where they would not necessarily be intimidated.

Clause 4(2)(a) of the act says a vote can be undertaken in accordance with prescribed rules. We are concerned about that because we do not know what the prescribed rules are. We asked that question at the briefing by the Ministry of Revenue and were told that there were no prescribed rules or that they might be referred to the Ontario Labour Relations Board as to what those prescribed rules might be. We want and will demand that a secret ballot be taken so that people will not be intimidated into buying into this plan and a serious decision like this, to go through the considerable expense of setting up the corporation before anything can be achieved, will be agreed to by 50% of the employees in the plant.

Members will notice under clause 4(2)(b)—you only have to fulfil (a) or (b), but (b) says, “at least 50% of the eligible employees of the eligible business are represented by one or more employee organizations, at least 50% of the votes cast by the eligible employees, who are so represented, at a vote undertaken in accordance with prescribed rules,” can set the venture capital corporation in motion. Therefore, we could have an employee organization which represents 50% plus one employee or 50% of the employees holding a meeting.

I am not certain of the notice requirements for this kind of meeting, but let's say they held a meeting and they got 50% of their employees there. Let's say the majority of them were in favour of going ahead with that particular plan. Let's say they voted even as high as 4 to 1 in favour of going ahead with that plan. Basically you will have 20% of the total employees of that business making the decision to go ahead with an employee buyout.

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Therefore, we will require that it be made absolutely mandatory that all employees of a corporation where this kind of buyout is going to be involved be involved in the vote, not only the union members who might represent 50% of the workers. We believe the other 50% are just as important and should be consulted as well, because it will mean something will be changing with regard to the ownership of the plant that is involved, and we are very much concerned, as I mentioned, how these votes shall be undertaken. We will demand that a secret ballot be taken with regard to any of the votes involved in this.

The third thing we are concerned about is the practicality of the whole investment plan as set out under the employee buyout plan, because as I mentioned before in my remarks, it is a very sophisticated kind of documentation that has to be prepared and gone through for this kind of corporation to be set up. First of all, there has to be a meeting with the employees making the decision to go ahead and set up this venture capital corporation. Next, a prospectus has to be prepared, as in any public offering in this province under the Ontario Securities Commission, to outline to employees who are investing in the corporation what is happening with regard to the corporation: what the corporation is offering, what its financial position will be when the money is put into the corporation—like any other prospectus.

I am a little concerned about the time frame between the meeting when the employees are deciding they are going to buy out their own company and the time when they have to write the cheque to purchase their stock, because I believe it will take a long period of time to go from the genesis of the venture capital corporation to the actual time when the person writes the cheque for that stock in this employee buyout corporation.

I have pointed out the concern we have with regard to the structure of this particular employee-ownership labour-sponsored venture capital corporation. I have pointed out some problems with the process. We want to be sure all employees of the business are brought in. We do not want to see a hostile union takeover, which could occur under the way the legislation is set up at the present time, paid for by the taxpayers of Ontario.

We are also concerned with taxpayers' money ending up in the pockets of a corporation owner who can sell his corporation to his employees at an inflated price because the employees who are buying out the corporation are getting a significant tax advantage.

I would now like to proceed to the second part of this legislation, which deals with the smaller part of the plan, the second plan, which deals with what are called labour-sponsored investment funds or LSIFs. They are like a mutual fund, Mr Speaker, and I know you are experienced in the mutual fund business. You will be much interested in the second provision of the bill. Under this part of the bill, for some reason, to encourage employees and people of the province, anybody, to invest, we are going to give them a tax break of 20% federally and 20% provincially. A person in Ontario can invest only up to \$3,500 a year, but that means you get \$1,400 back immediately if you kick into this plan. I think it is a pretty enticing kind of situation to get involved in. There are no maximums on the number of times you can get into this. You could invest \$3,500 this year, \$3,500 next year, etc, and you go on.

There are some limits on what it can be invested in. It can be invested in a company that has \$35 million in assets and up to 500 employees. It must have 50% of its salaries and wages paid in Ontario. That means, I guess, that a shrewd mutual fund operator would really have some enticing sales tools. You can promise your investors that they are immediately going to get 40% of their investment back. The range of investment is quite wide. They can invest in a public company. The venture corporation involved here can go down to the Toronto Stock Exchange and buy shares. Therefore, these LSIFs are going to be in direct competition with existing mutual funds that are now in place.

I believe the philosophy behind the federal and provincial tax bait is that you will have pools of capital from the average worker that will invest in various different businesses. People who have not previously invested in a stock market or mutual funds will find this an enticement to get their dollars into venture capital.

We favour the second venture idea much more than the original. We see some inherent traps in the original one, in that the government is going to be left on the hook in the long run. We have more support for this one, but if the philosophy of the government is to get as much venture capital out there investing in Ontario businesses as possible, why does it limit it to unions being the driving force behind the setup of these venture capital corporations? There is no reason or logic that has to be done.

The reason, we heard the minister respond to one of the previous speakers, is that the federal government has said that to get its 20%, it must be a union that sets up the venture capital corporation. That may be so, but as my leader has said, why do we have to follow in the footsteps of the federal government in this regard? Why should we discourage other employee groups from getting together and offering their employees the opportunity to set up a mutual fund and get 20%? I do not expect the provincial government to come forward with the other 20% the feds give to union groups under its legislation. All we want is fair treatment

for all employee groups, whether they be unionized or non-unionized.

We do not understand the philosophy behind the act. If the philosophy, as delineated and drawn from this kind of legislation, is to get people who have not normally been involved in the investment business into the investment market, why not widen the scope of the investors as far as possible?

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I see the Treasurer is here. If his heart was in the right place, it would be possible to go ahead of the federal government. Why should the Treasurer of Ontario not give a 40% rebate to employee groups that are not unions?

Hon Mr Laughren: They do not have to be unions.

Mr Sterling: They have to be under the LSIFs. The Treasurer is now acknowledging that. He is right about the employee buyout, but we are talking about the second one. I talked about the first one. I can go back to that, because the Treasurer was not here.

Hon Mr Laughren: Spend, spend, spend.

Mr Sterling: The Treasurer is saying to me, "Spend, spend, spend."

The Deputy Speaker: Order, please. If there are to be any exchanges, they should be done from your seat, Treasurer.

Mr Sterling: We heard so often from the opposition benches about tax loopholes and people getting away from paying their taxes. All those tax loopholes, if we want to call them that, were put there with a reason: to try to get people to invest in businesses, to put their money out or put it back into their plant. It was an incentive so they would not take that money out and it was an incentive for people to put their money back in. Now we have the Treasurer walking across the floor from opposition—he is walking out right now—to government.

If we really wanted to be cruel about the interpretation of this legislation, we could say the Treasurer is supporting the corporate welfare bums. The first plan helps out the corporate welfare bums. It allows a corporate welfare bum to peddle his plan to his employees at an inflated price. Guess who is going to pay—the taxpayers of Ontario. Here are the guys who said: "No tax loopholes. The corporate welfare bums are ripping everybody off." What do they do? They create a plan that allows somebody to fill up a truck with taxpayers' cash and take it home. This is a joke in that regard. That is why we have a lot of difficulty with the first plan.

The second plan, because it is not so restrictive, has some attraction to it. Quite frankly, I think a 40% rebate is excessive in terms of getting people involved in investing, period. If an investment is good, if the management of the funds is good, then people will invest with very little incentive. I think a small incentive is probably good to get people involved in investing for the first time, and therefore we have some support for it. I just think 40% is an excessive amount to rebate immediately to these people, having a view to the very open investment abilities of the venture corporation with regard to the LSIFs.

We used to have a program called the small business development corporations. They were very different from this particular investment corporation. You were very much restricted as to what you could invest that money in. I believe you were given 30% of your money back if you invested in a small business development corporation. It was so restricted, you could only invest in manufacturing, perhaps some tourism, and I think the capitalization of the company could be only \$5 million, so it was basically startup businesses that could benefit from SBDCs.

The investment portfolio of this mutual fund can be very significant. The amount of work required to invest the money is going to be very much easier under this plan, because basically you can buy any public corporation. Some \$35 million in assets and up to 500 employees is not necessarily a small company. So the restrictions on the mutual fund, as I call it, to invest are not that great.

I think there will be some significant takeup of the LSIFs. I believe the bait is too excessive on the part of the province and on the part of the federal government, and I think both of them leave the taxpayers holding the bag on this with regard to assuming most of the risk involved.

Earlier we had comments with regard to what was happening in other provinces. I thought it was interesting that a researcher in the Progressive Conservative caucus, Mac Penney, was able to assist the Ministry of Revenue's research and policy people by providing them with some information as to what was happening in other provinces. We are fortunate in having some of the sharpest researchers, and some of them with the most contacts in Canada, that members can imagine with regard to getting information.

British Columbia has offered a tax credit of 20% to those investing in a provincial employee venture capital corporation. It can be established by either a labour organization or a group of people with a work-related affiliation.

The second plan we are talking about was modelled after the British Columbia model, because the company in British Columbia, like the one in Ontario, can have up to \$35 million in assets. The EVCCs in British Columbia will be eligible for a 20% tax credit for the first \$10,000 they invest. The federal government will forward a reward of a 20% tax credit on the first \$3,500 invested. Any one taxpayer is limited to a maximum investment of \$50,000 in a lifetime.

They have changed the terms around a little bit, but the major term they have changed relates to the fact that in British Columbia not only a union can set up a venture capital corporation, but in Ontario only a union can set up one of these particular venture capital corporations.

Mr J. Wilson: Pretty fishy.

Mr Sterling: Yes, it is kind of fishy, as my colleague says.

Saskatchewan, as was said before, is the other province which has one of these kinds of venture capital corporations, and I understand from my colleagues that in that province as well, union as well as non-union employee groups can be involved in receiving the provincial rebate.

We in this party do not scoff at this legislation, because we think it is an attempt to get people thinking about

investment. As I mentioned at the outset of my remarks, there are some positives to it.

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On the other hand, we have a great deal of difficulty with the exclusivity of the bill in giving all of the rights to organized labour versus those people who are not represented by organized labour. We oppose the parts of the bill which allow, in our view—and we will be interested when we get in committee—unions that control slightly more than 50% the right to control what happens to all of the company, really to the exclusion of the other employees who are not invited in to vote about this. I think that is a negative in terms of trying to get money for the corporation if it is set up and they are to go through a successful buyout. We are very concerned about the balloting process, the procedure involved in this. We think a secret ballot should be involved.

We have those considerable concerns about this bill. We look forward to it going to the committee and hearing what business and labour have to say about it. We hope the government will be conscious of our remarks, so much so that it will amend part of the bill, because otherwise we will have to dig in our heels even deeper on this bill. We will have difficulty voting for it on second reading because it is so slanted to the union movement and those workers representing somewhere between 60% and 65% of the labour force are not given equality in this bill. We will have to oppose it on second reading, but we will approach the subsequent discussions in a constructive manner.

Mr White: I wanted to commend my colleague on his excellent speech and for presenting a number of concerns. I do want to comment on a couple of points he raised.

On the issue of worker representatives and unions, it strikes me as passing strange to speak of representatives of unorganized workers. Who is representing a group that is not organized? Obviously no one is. The people who represent workers are people who are elected by them. People elected by them usually are part of what is called a collective. It is a contradiction in terms to be talking about someone who is representing unorganized workers.

My colleague is quite right that there are many workers who will not be represented here. They have the opportunity, through the collective bargaining process, through trade union organizations, of organizing their workplaces, of being able to democratically elect representatives who would be able to speak to their concerns and who would be able, of course, to participate wholeheartedly in such a structure as this bill offers.

Overall, however, I think my colleague has spoken extremely well. I think it is also a touch on the ironic side that he is asking us to dissociate ourselves and our government from one of the very few positive ventures which has come out of the federal government, which his party is in control of, and I guess he is asking us to be not quite so left wing as the federal government. I think that is a little passing strange too.

The Deputy Speaker: Member for Carleton, do you wish to reply for two minutes?

Mr Sterling: Yes, I will take the opportunity. I want to thank the member for listening to me. This is difficult legislation, it is complicated legislation and therefore it tends to be dry, but it is pretty important legislation as well.

I think it should be clear that I did not want to necessarily dissociate myself with the federal government with regard to the 20% grant it gives. I just think that the combined grant of the federal and provincial governments of 40% is perhaps a little too much and that the enticement does not need to be that great. If they each knocked off 10%, they could probably achieve the same thing and widen the basis of the number of groups that could set up venture capital corporations. They could achieve the same thing without costing the taxpayers as much money. That is my concern, that when you enter into all of these programs they are expensive and, in particular, you would have no way of predicting how expensive they might become.

That is all I have to say and I would again like to thank the member for responding.

The Deputy Speaker: Are there any other members who wish to participate in this debate? The member for Ottawa West.

Mr Chiarelli: First of all, I want to thank the member for Carleton for—

The Deputy Speaker: Order, please. On a point of order?

Mr White: No, I want to speak.

The Deputy Speaker: I had not seen you. Therefore, I would ask the member for Ottawa West to let the member for Durham Centre make his presentation and I will call on him afterwards.

Mr White: I will be brief.

Mr Chiarelli: Okay, that is fine.

Mr White: I rise with pleasure to speak on this bill. I think it is an essential piece of our legislation and our attempt to effect a real and viable economic renewal in this province, an economic renewal which is based not only on capital but on a diversity of capital, a diversity of investment, not just in terms of our moneys and our labour but also in terms of our full participation as a community in the economic life of our province.

The issue has been brought up about how this bill will create a new source of very much needed capital, and I think this form of legislation has worked very effectively in other provinces, as has been noted. I think in Ontario, however, we have been lax. We have been well off traditionally. We have relied upon the largess of history and the bounty of our economy without looking at how we as a community can become more innovative, more widely diversified in terms of investment and more in tune with the needs of the 21st century, which we will soon be entering.

Those laxities in our province have been brought to a jolting stop recently with the recession. This is a phenomenal time in our province where what we have counted upon for generations is no longer dependable. We have to look at new sources. The old sources for investment capital are no longer adequate to meet the increasing needs of this decade, and, even if they were, they would not be for much longer.

The opportunity for workers to make an effective investment in the community as a whole, for them to participate in a worker ownership plan, is something they are looking forward to and something whereby they will have the opportunity to become much greater participants in their community, also a tremendously greater form and diversity of investment, not a huge investment—

Mr Miclash: On a point of order, Mr Speaker: I have always been interested in what the member for Durham Centre has to say to the House, and I really do think there should be a quorum here. I believe there is not a quorum here in the House.

The Deputy Speaker ordered the bells rung.

1902

Clerk Assistant: A quorum is present, Mr Speaker.

Interjections.

The Deputy Speaker: Order. I ask the members to address the House from their seats and not from the gallery.

Mr White: I am very pleased the member for Kenora was paying such avid attention and that he brought to the attention of the House that he was doing so. It seems, however, that his attention span is somewhat shortened, because I do not see him any more.

The issue, as I was mentioning, in terms of investment is very crucial. We are drying up the sources of investment we have relied upon traditionally. I believe, for example, that out of the last recession consumers were able to invest heavily, and at the retail level, at the house purchasing level and at the car purchasing level we were able to revive our economy. But consumer indebtedness at this point is at such heights that this is no longer possible.

Small and medium-sized businesses have traditionally had problems and it is those companies that are the engine of economic growth in our community. Those companies have a traditional problem securing venture capital. They would be making direct moves in terms of growth and industrial investment in our province. Traditionally, they come across to banks and request some support and they are unable to get through the red tape that is involved there. We need a much greater diversity in terms of investment, but also a much wider scope of investment.

The issue of ownership is also an issue of participation, whereby workers at a plant that is self-selected—not all plants and not all workers would want to participate in this, but regardless, many would have the opportunity of participating at a higher level. In others it would not be practical, nor would they want to, but in many places they would.

For those very significant reasons, I think this is a bill that well demands the support of our colleagues from all parties. I commend the members opposite who have spoken eloquently in support of this bill. I will sit now and allow my colleague the member for Ottawa East to speak when he is ready.

The Deputy Speaker: Are there any questions or comments?

Mr Grandmaitre: Mr Speaker, the member said Ottawa East.

The Deputy Speaker: Please address the Chair.

Mr Grandmaitre: Thank you.

The Deputy Speaker: You have to address the House from your seat, member for Ottawa East.

Mr Grandmaitre: I am sorry.

The Deputy Speaker: Any questions or comments? If not, the member for Ottawa West.

Mr Chiarelli: As I started to say before, I want to thank the member for Carleton for taking some considerable time in his contribution to this debate. Quite frankly, I had read some briefing notes with respect to this legislation and it was not until tonight, when I started reading some particulars of this very technical bill, that I got some very serious concerns about how this legislation will work technically.

I see the Minister of Labour chuckling over there before he even hears what I have to say. I invite him to listen, because before I was elected to this Legislature I spent 17 years practising law, advising small business people and advising shareholders on shareholders' agreements and what can or cannot happen to their investments in small corporations. I want to point out several provisions to the minister, and hopefully some of his officials will also listen, because I have much concern about the share structure and how the provisions of the share structure will operate, probably to the detriment of many people.

I want to refer to some provisions in the act, in particular part III which deals with labour-sponsored investment fund corporations. I believe the same provisions apply in part II to the other type of corporation. I want to talk specifically about the transferability of shares that workers or investors will have in either of these types of corporations. I also want to talk about the mobility of shareholders and what happens to shareholders in this type of corporation should they be required—

Interjections.

Mr Chiarelli: Mr Speaker, I think Santa Claus is going to make an appearance in the Legislature.

The Deputy Speaker: Yes. We will give him a chance to go back to his reindeer and his sleigh. I notice he has now disappeared. You now have the floor.

Mr Chiarelli: As I was saying, I would like the Minister of Labour to address a couple of specific situations. Number one is the instance of a worker who has invested considerable dollars in a corporation and that particular worker has decided for one reason or another that he or she must leave the city or the workplace or the jurisdiction where the job is. I want the Minister of Labour to address the question of how that worker who has decided to move to another city or another location will be able to get his investment out of this corporation.

As well, I want to raise the question of someone who dies owning a particular class of shares in one of these corporations and how his estate might be able to realize on the investment.

I want to read some particulars of the legislation. In particular, clause 14(1)(c) in part III indicates "the articles of incorporation"—that basically is the charter of this particular type of corporation—"of the corporation provide

that the authorized capital of the corporation shall consist only of, (i) class A shares that are issuable only to eligible investors and are redeemable or transferable only in the circumstances described in clause (e), (ii) class B shares that are issuable only to and may be held only by an employee organization."

If we look at clause (e), the circumstances under which shares may be transferred, as I mentioned, I have very significant concern. If I was practising and had a worker in front of me in my law office, and that worker was planning on investing \$5,000, \$10,000 or \$15,000—in fact, the legislation provides that up to \$150,000 can be invested in this type of corporation—I would ask a number of questions of that individual. I would say to that individual: "What will happen if you decide you want to move, for example, from Sarnia, where the job and the workplace are, to Ottawa or to Toronto? You have \$15,000 or \$20,000 invested in that corporation. What will happen when you leave the workplace and move to the other place?"

There is no provision in this legislation that gives that worker any right to receive his equity back and convert it into another investment at another location. He would have to leave his money in that particular corporation in Sarnia. He would have to move to Toronto or Ottawa and he may never get that money back, because the legislation does not provide a right for him to get it back.

1910

I will be very specific and read the sections regarding transferability of these shares. This is clause 14(1)(e): "The articles of incorporation of the corporation provide that, (i) subject to subclause (ii), the corporation may"—and that is very significant; that means it also may not, at its discretion—"redeem a class A share in respect of which a tax credit certificate has been issued under this act only if the corporation is requested in writing by the holder of the share to redeem it and the holder of the share has satisfied all other prescribed conditions."

There are other provisions here, but I want to emphasize this point and say to the Minister of Labour, who is sitting over there pretending he is not listening, that he must listen, because a corporation may not redeem a share. A corporation may decide, because it is short of cash, to tell that worker who wants to move from Sarnia to Toronto or Ottawa that his or her capital has to sit in that corporation for two years, five years or 25 years because there is no right to a redemption.

This is not an investment you would buy at a bank. This is an investment in a closed corporation which is being managed by a board of directors in a closed situation where the people operating the company are probably going to want to retain the capital, and as workers want to leave and go to other jurisdictions, the management of the corporation may or may not decide to transfer the shares.

I want to emphasize that very significantly to the minister and I want to say to the minister that when the workers, if they are wise enough to go and get counsel before they invest in a purchase of shares—and we heard other people here talking about risk and risk management and how the government is putting itself out on a limb because these workers have trust in the NDP government.

The NDP government is setting up a fund for them to retain their jobs, and it wants these workers to invest in corporations, but this legislation does not give the workers the right to get their investment back. It says that whoever the board of directors may be at the time may redeem, and that "may" is a very significant word, because what happens in point of fact is that a company is operating and it needs working capital; it must redeem shares out of working capital or it must go out and borrow money to redeem the shares that these people are requesting to be redeemed. How will a corporation which at the outset is probably going to be short of working capital redeem the shares of these particular workers?

I want to go on and read the particulars of the legislation as they apply to transferability and redemption of shares. It goes on to say:

"(A) if the share is held by the original purchaser, the corporation is notified in writing that the original purchaser,

"1. has retired from the workforce or has attained 65 years of age."

What does this say to me? The words are here; they are in black and white and they are very clear. Imagine a worker who is 45 or 50 years of age who is very concerned about retention of his or her job and therefore invests in the business to give the business working capital, and this particular worker continues for 10 or 15 years until retirement age, until age 65. The legislation says, yes, the worker must have given notice and the worker has a right to ask for a redemption if the worker has retired from the workforce, but it says that under those circumstances the corporation "may" redeem.

If we happen to be in a downturn for that particular industry or that particular company, or we happen to be in a recession, and we have a retired worker who simply says, "I'm up for retirement; I'm asking the company to redeem my shares," it says here the company may redeem it, and by implication the company may not. So we have a worker who has paid to keep a job until retirement, and retirement comes and the worker goes to cash in his chit and says, "I'm there, folks, give me my money back." The corporation says—

Mr Turnbull: On a point of order, Mr Speaker: I think this is a very important debate, and it is the duty of the government to keep a quorum in this House. I do not believe a quorum is present.

The Deputy Speaker ordered the bells rung.

1917

Clerk Assistant and Clerk of Journals: A quorum is now present, Speaker.

Mr Chiarelli: I was in the process of commenting on some particular technical considerations of this legislation, and I was indicating how concerned I am for individual worker investors in terms of their ability to transfer shares or request redemption of shares.

There is a general understanding on the part of a lot of people that if you have a share in a corporation there is a market for the share. That is not generally the case. That is the case for companies or corporations which are listed on the stock exchange or may be more broadly held corporations.

But in the type of corporation contemplated by this legislation, there is no market for the shares. In other words, an individual worker may decide that he or she wants to try to sell this investment. That cannot happen in this particular provision. They are asking workers to lock in their investment to buy a job and then there is no assurance either that there is a market for the shares or that the worker can redeem the shares.

Not only can a worker not redeem the shares, but if one of these workers dies or is involved in a fatal accident of some type and leaves an estate that needs some semblance of an estate to continue, there is no provision in here which even provides the corporation the obligation to redeem the shares of that worker. These corporations will be managed by a board of directors. The board of directors will, in its option and discretion, decide, "Do we have the money or is it in our business plan to redeem the shares of this particular estate?" so this particular deceased's estate can have some money to carry on. There is no provision in here for it. I really believe this legislation was drafted by people who have not been in the field of dealing and working with closely held corporations, which is what we are creating here.

In order for this legislation to work, the government is going to have to amend this legislation. It is going to have to mandate that these corporations keep on hand a reserve or trust fund for redemption of shares in certain circumstances. What the government is doing is tying the hands of these small closely held corporations, because it is requiring them to have more working capital than the usual or average small closely held corporation.

We are trying to create a corporation which will have viability where in most circumstances there was no viability and we are saying, "Either you do damage to your worker-shareholders by having no transferability for an estate, even in the case of death or, on the other hand, you're required to maintain a higher level of capital reserves than the normal small company because you're going to have to be able to respond to the redemption of shares on the part of the estates of individuals who die or workers who retire."

More important, as I mentioned earlier, is the very simple provision of mobility. You may have a worker who decides he wants to move from city A to city B. He may have built up a nest egg of \$25,000 or \$30,000 in a particular corporation under part II or part III. He cannot just up and leave. What happens is that he leaves his shares in the other jurisdiction, in the other city, the other location. He loses a connection. He has very few reporting mechanisms back to the other particular place.

We are talking about businesses that might have only 25, 30, 50 or 100 shareholders. The managers of that business are working from day to day trying to make ends meet, trying to work on lines of credit with their bank managers, trying to collect receivables, maybe a lot of bad receivables. If they have three, four or five workers retire, transfer or die, and it happens consecutively, there will be tremendous demands to redeem on the working capital of that corporation.

Maybe the government knew what it was doing when it put in the words "subject to subclause (ii), the corporation may redeem." Maybe the government knew the corporations would not be able to honour their commitment to

redeem these shares for somebody who is moving, somebody who is retiring or an estate of a deceased worker.

I am thinking. I am putting my mindset back into my law office. I am sitting there with a worker across the desk. The worker comes into me and asks, "Bob, do you think I should put \$15,000 into this company?" I am going to ask a number of questions: "What happens to your investment in this company if you want to move? What happens if you die? What happens if you retire and there is no provision in this legislation to provide for the redemption of your shares?"

As I said at the beginning, I really read the technical aspects of this bill tonight. I put my lawyer's hat on and I was extremely concerned about the technical aspects of this legislation. I believe the government is going to have to seriously consider some of the concerns I am raising about this legislation.

When this legislation becomes law, which it eventually will, because the NDP has a majority government and it will eventually pass the legislation it wants, there will be a whole host of commercial lawyers out there advising workers. This legislation is going to have to pass the test of those commercial lawyers sitting in their offices advising the workers whether or not they should invest in this corporation.

The government is also going to have to account for all those workers who do not get that advice, who do not seek that advice, and invest money in a corporation and find that when workers move or retire or die, their estates cannot get the money out for a long, long time, if at all, because it simply says that the corporation "may" redeem their shares. There is no provision for selling these shares out in the open public as you can a public share.

Those are my only comments on the legislation tonight. Quite frankly, I am going to look at the rest of it very carefully. I have only looked at part III tonight, and the parts of part III I have seen have thrown up some really serious concerns about this legislation. I hope the government takes them seriously.

Ms S. Murdock: I have a couple of comments. First of all, this is not a Ministry of Labour bill, so the Ministry of Labour should not be expected to respond to it. It is, however, a Revenue bill and on that basis I would like to make a couple of comments.

I heard one concern of the member for Ottawa West, and that was on the redemption aspects of this bill. I would like to direct my comments specifically to the redemption provisions.

First of all, it is incorrect to say that it is not redeemable at all under any circumstances. All shares are redeemable, but if they are redeemed within five years, the tax credit must be paid back and that is fair. Why should you get a tax credit if you are investing in something that is not only an investment in yourself, but also an investment in the economic flavour of your own community? It is very touching to hear about the concerns of the workers from the other side, but the thing is that this is also helping the employers in our communities. "You still have the investment. You can still get your dollars back."

The other thing is that this legislation when passed is not isolated to the Business Corporations Act. The member opposite knows full well, since he has already told us he is

a lawyer who worked in this area, that it prohibits anyone from redeeming into insolvency, with the exception of hardship cases. I would appreciate if he would listen, because the hardship cases listed under clause 6(1)(e) of the Business Corporations Act clearly states what those exceptions are, such as death and disability, but not voluntarily moving away.

Mr Callahan: I want to say a few words on the comments of my colleague. It is interesting that this bill is being brought forward at a time when the recession is as bad as it is, when we are talking about businesses disappearing for a whole host of reasons. Some of them are economic that are worldwide; some of them are a result of some of the proposals this government has made that have not come to fruition but simply have been announced in the House.

I like the thought of making entrepreneurs out of employees. If you make entrepreneurs out of employees, I think they become far more interested in the business they are involved in. Perhaps it might even eliminate the necessity of having to unite in unions. If you give people an entrepreneurial approach to business and they can do the job on the basis of seeing the fruits of their labour, you eliminate the old adage, way back when unions were important, of the big boss who was up in the head office and nobody could ever talk to him. I think in that respect the bill has merit.

1930

In addition, it has merit in terms of giving people out there who are looking to get themselves involved in business, or in corporations that are perhaps in difficulty, the ability to invest their capital in a way that made the United States the big giant it is, the fact that these people had risk capital. What we are doing here—it was originally our bill and I think the parliamentary assistant would recognize that—is recognizing that fact.

Mr Chiarelli: I want to respond to the comments of the member for Sudbury. I can only ask some questions on this legislation, in particular about paragraph 14(1)(e)(i), which talks about the redemption of shares. It indicates, "subject to subclause (ii), the corporation may redeem...." I simply ask the question, will they put the words "shall redeem" in there? If you put the words "shall redeem" in, it creates another set of problems; that is, the corporation has to be in a financial position to redeem all its shares at any one point. That is equally unacceptable.

I am suggesting the government look at some vehicles or amendments that may be possible under this legislation to require some sort of fail-safe protection for those workers who are forced into a mobility situation, who are retiring or who are deceased. The way it is now, the legislation is open to tremendous abuse, because there is no right to redemption. It is totally discretionary. You can have a lot of workers with a lot of money tied up in these corporations and no vehicle for getting it out.

I understand the social and economic need for this legislation. The principle is good. There are a lot of technical provisions in this legislation that are very good. I am simply pointing out to the government that there are some technical matters in here that need refinement. This is a very significant

problem with the legislation that I have pointed out and I hope the government will address it.

Mr Turnbull: Mr Speaker, I wish to participate in this debate, but I would point out once again that the government's responsibility is to keep a quorum. I do not believe a quorum is present.

The Deputy Speaker ordered the bells rung.

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Clerk Assistant and Clerk of Journals: A quorum is now present, Mr Speaker.

The Deputy Speaker: A quorum is now present. The member for York Mills.

Mr Turnbull: I am really pleased we have the appropriate number of people to listen to the words of benediction I am going to give to the government on this subject. I will start out by saying that the concept that drives this bill is indeed very sound. As a small businessman who has upon many occasions risked my own after-tax dollars to invest in companies, I think that as a society we would do well to encourage as broad a participation of investment in companies as possible.

But having said that, I have some concerns about this bill, and I would hope my concerns that I express tonight might be able to translate themselves into some improvements in this bill, because we know that this bill will pass. The government has a majority, from the 23% of the electorate that voted for it. Less of the popular vote, 37.1% of the popular vote, voted for them than for Frank Miller and we know what happened to Frank Miller. Nevertheless, we hope the government will listen to these suggestions.

Having said that, we have a bill that seeks to encourage the participation of workers in ownership. The Treasurer announced that the government's intention was to introduce a program to provide workers with an opportunity to invest in their own companies, and the bill has two very distinct forms. The whole of this legislation is very complex and requires a great airing, but the first one is called an EOLSVCC. It sounds like some Communist Party committee, but we know what is happening to the Communist Party. Employee ownership under this scheme may be formed by employees of an eligible business. An LSIF may only be formed, however, by eligible employee organizations, which are defined in the act to be a trade union or an association or federation of trade unions. However, any Ontario resident may purchase shares in the LSIF.

We immediately note that while approximately one third of all the labour of this province is unionized, this bill is only driven towards union ownership, which is rather curious, but I suppose not very curious when we consider that this is a government which is beholden to one very small segment of our economy. The Ontario LSIF proposal is modelled on the federal LSIF program, which is also limited to unions.

The formation of an EOLSVCC requires either the consent of at least 50% of the eligible employees who participate in a vote or, in the case where at least 50% of the eligible employees are represented by one or more employee organizations, at least 50% of the employees represented by those organizations.

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My next problem is the fact that we may have, for example, a company with 1,000 employees and we may have something in the region of only 500 of them unionized. This organization can qualify for it. We know that within a union organization, a bare majority will carry the day and we know that the participation in votes of organized unions is rather small. We may have 50% or less of the union voting on any particular issue and only 50% of the organization unionized. So we lead ourselves to the position where we can have as few as 25% of the employees in that organization voting to take these steps, which leads one to have concerns about the coercion that can be impressed upon those unionized and non-unionized employees by the union which seeks to take over the company.

It does not have to be committed to paper. It can be quite subtle. We know that the NDP at times can be fairly subtle in its coercion. In so doing, they can just whisper gently in the ear of the employee, "You won't have a job unless you participate in this buyout of the company." An EOLSVCC will be required to obtain control and majority ownership of the business and will have a year in which to invest at least 80% of its share capital in the business. We have to have concerns about the level of information available to those employees. We must have some way of impressing upon those employees the magnitude of the business and environmental risks the company is involved in and any residual liabilities the company may have.

This brings me to the conclusion that the first scheme is quite clearly aimed at Algoma and companies of that nature. It is worth putting on record that Dofasco is considered to be one of the most enlightened employers in the country and has an exceedingly good relationship with its employees. Dofasco made an offer to the union which covers Algoma some 18 months before Algoma got itself into financial difficulties and Dofasco decided to pull the plug on it. The company suggested to the union that it needed to make reductions in the number of employees, hold the line on pay raises and cut out production of certain items which were not selling.

Dofasco has an extremely good track record as a corporate citizen and a good manager in Canada, as members well know. Notwithstanding that, Leo Gerard did not accept the suggestions of cuts in employees and did not accept the urgency of holding the line on pay and drove the employees into a strike. This strike is absolutely the genesis of Algoma going over the brink. Dofasco had paid many hundreds of millions of dollars for this company with the intent of turning it around. Not the workers but the leadership of that union decided they would not accept those terms. They wanted pay raises, they wanted job security for everybody there, and they would not cut any of the product lines.

Interestingly enough, the very person who precipitated the collapse of Algoma, Leo Gerard, is now coming to the table and suggesting there should be a union buyout of the company which involves holding the line on wages, reducing the number of employees and cutting certain product lines. Why? Because he went to a group of people who were used to buyouts in the United States and he asked what it takes

to structure the deal. Indeed, the terms he has suggested should be the core of the buyout and the business plan for this company are very similar to the very proposals Dofasco made at the time the union went on strike. So I am concerned that the first of these two vehicles within this legislation is essentially a bailout of Leo Gerard and his absolutely failed ideas on union leadership which have destroyed the jobs of many employees of Algoma.

I cannot help looking at the tax breaks the employees will get. I seem to remember the NDP's federal brethren under the aegis of Ed Broadbent using the expression "corporate welfare bums." It certainly has a very interesting ring to it.

An hon member: David Lewis, too.

Mr Turnbull: And indeed David Lewis. The NDP cannot have it two ways. They either accept the fact that companies have to survive and have to have well-thought-out business plans which will carry them into the next century in a very competitive world—and nobody would wish more than I that we did not have maybe the level of competition which will drive Ontario and Canadian companies out of business, but unfortunately there is no panacea. It is a fact of life. It is not just a question of losing jobs to the United States or Mexico. Many of these jobs are being lost to the Third World, to Brazil and to the Asian countries. We need to have a coming together of employees and management in a sensible way. It would be very reasonable to have the employees participating in a financial way in the ownership of the companies. I can only see that as a good idea. Indeed, when members look at the German model, which the NDP is so keen to cite, it works well at that level of co-operation. But in order for that level of co-operation to take off in Ontario, we will have to restructure the whole attitude of both management and unions. At the moment, unions seem to be intent on being paid off for their support for the NDP.

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I would just like to speak about some of the terms for the EOLSVCC.

"4(1) A group of individuals representing eligible employees of an eligible business may apply jointly to the minister, by filing the prescribed material in the prescribed manner, to be certified as the employee group for the purposes of this part in respect of the eligible business.

"(2) No group of individuals is eligible to be certified under this section in respect of an eligible business unless the minister is satisfied that,

"(a) at a vote undertaken in accordance with prescribed rules in which all eligible employees of the eligible business were entitled to vote, at least 50% of the votes cast were in favour of the establishment of an employee ownership labour-sponsored venture capital corporation; or

"(b) if at least 50% of the eligible employees of the eligible business are represented by one or more employee organizations, at least 50% of the votes cast by the eligible employees, who are so represented, at a vote undertaken in accordance with prescribed rules were cast in favour of the establishment of an employee ownership labour-sponsored venture capital corporation."

When I look at a prospectus which is issued with respect to the issuance of new shares in a corporation, it is somewhat complex and often requires a lawyer's opinion as to the validity of the statements that are made. I am concerned that not all of the employees but some of the employees in that union may have difficulty in establishing the risks attendant on the purchase of these shares. There should be a very full disclosure of any environmental liability the company has or potentially could have and liability with respect to any other pending or threatened court cases.

That leads me to the fact that these buyouts are to be sanctioned by the government after review by a committee of government, which implies that the government is blessing the purchase. It is my experience that when people put their life savings, as I suspect we would be looking at here, into a business which is on the margins—and I go back once again to the example of Algoma—if they put their money in and they are getting tax deductions with respect to their investment, if indeed that company fails, we create an expectation that the government will bail out these people who have lost their life savings.

Life savings are going to become more and more important. It is a fact that the Canada pension plan is nearly bankrupt. I think almost anybody who studies the financial underpinnings of the Canada pension plan has to come to the conclusion that only the very poorest people in the future—and I do not know when that date is going to be, but at some point in the future—are likely ever to receive any money from the Canada pension plan.

This all comes from the fact that governments of every political stripe in every part of this country have been spending beyond their means, and the people of this country and the people of this province are going to be hurt by the effects of this, so life savings are going to be very important.

How do we react when an employee has been induced to invest, potentially through coercion through a union which buys out the company, potentially because he simply feels that he wants to keep his job or potentially because of peer pressure, and loses his life savings?

I say very sincerely to my friends on the NDP benches that I am not telling them the idea of employee participation is wrong. I am telling them of the very real concerns I have in terms of the implications of this bill.

I would like to refer to a letter the Premier wrote to one of my constituents on November 26. An extract from it is:

"Our goal is sustainable prosperity. Wealth creation is crucial and we can't take it for granted. Attracting investment, rewarding innovation, encouraging markets to work, entrepreneurship, creating profits, these are things that have to happen in our society."

That is one of the very few things I can applaud the Premier for saying. It happens to be absolutely correct. Unless we create a society that says, "It's important that we create wealth," we will not be able to protect our citizens in old age.

This bill does not adequately address the problems. Let's look on the very best side of things. Let's say the scheme works and the company does not go bankrupt. This is legislation that is only extended to people who are union members. It seems to be fundamentally unfair to the

vast majority of taxpayers. We should remember that one third of labour is organized; the other two thirds are not organized. Why is the NDP government discriminating against labour that is unorganized? That is number one.

Second is the concern I have about the coercion of workers within a union shop, that they must join in a company.

Third, I am concerned that union members may feel that in some way, because they get government blessing, it is a good investment to invest in companies like Algoma. We know the proposal the Steelworkers now have for the buyout of Algoma is not dissimilar to the proposal that was put on the table by Dofasco. Had they stuck to that plan, Algoma probably would not have gone under. Dofasco is a very responsible organization in terms of its relationship with labour, it has a great deal of respect for labour, but it simply said it would walk away from the hundreds of millions of dollars it had invested in Algoma. As the most reasonable and probably best-managed steel company in Canada, they walked away from it. They said, "We cannot make money under the set of circumstances the Steelworkers have created for us as a result of the strike."

Here we have unions that will have some sort of imperative to hang tough in negotiations and potentially push companies under, because the union management is in a position to be able to grab all the perks it believes are attendant on ownership of a large corporation.

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Companies like Algoma have absolutely no guarantee they are going to survive. They are in a very competitive world. After employees have bought into a company, I think they are going to be somewhat reticent to relinquish the jobs they have literally paid for with their own life's savings. If the company gets into further difficulties, as is quite possible with an industry like steel, it needs to be able to restructure. They lose the ability to restructure under this type of ownership. If the company is not restructured quickly enough, loses money and goes into bankruptcy, those employees are undoubtedly going to look to the government for some kind of bailout.

I borrowed from one of my colleagues who is still a smoker, I am somewhat disgusted to say—I noticed this big label on the bottom of cigarette packets; it says, "Smoking is a major cause of heart disease." This warning was mandated by the federal government after a lot of pressure was put on it to make sure people understood what the risk was when they bought and used a packet of cigarettes.

Mr Christopherson: Would you support that?

Mr Turnbull: I certainly would support it. As far as I am concerned, they can have the warning right across the whole of the front. It is a disgusting habit. Nevertheless, the reason that warning was put on there was because there is a serious risk. I am concerned this legislation does not contemplate sufficient warning to the employees who will buy shares. First, the government is giving them fairly generous tax credits, the kind of tax credits I have heard the NDP whining and snivelling in the past about corporations getting, the corporations that create jobs. They want to have

the same and become union tax bums just like the corporate tax bums.

When a corporation goes bankrupt, the shareholders lose. In the same way, it is reasonable to expect that the union employees who have been induced to go into this type of ownership and have enjoyed the benefits of a tax holiday from a portion of it cannot look to the government for further bailout. They have enjoyed tax benefits much like the tax benefits corporations enjoy and eventually flow through to the shareholders. These same benefits would be accruing to the union members.

If that is what we want to do, that is okay, but we should make sure the legislation is broad enough that it is not available to just unions. It should be available to all workers in this province. As with cigarettes, we must put on a large warning that this purchase of shares may be very injurious to your fiscal health, a fiscal health that as I have said, needs to be maintained because of the almost certainty that by the time people who are in their 40s and 50s reach retirement age, they will probably never receive a penny from the Canada pension plan.

Let me turn now to the second scheme. It is called an LSIF. An LSIF will invest in shares issued by small and medium-sized Ontario businesses having not more than \$35 million in assets and 500 employees. The LSIF will be required to maintain a minimum of 70% of its share capital and will be a mutual fund that will allow for the investment of not more than 10% in a company and the same type of tax deduction as the other scheme.

Once again, the concept is good, but I am concerned that it is aimed only at unions. The problem is that we are creating a world of unionized labour and all the rest of labour, which is fundamentally wrong. I have to assume that there is a reasonable number of people who are non-unionized labour who voted for the NDP in the last election. Those people are being shafted by the NDP. It is paying off its union paymasters. That is the bottom line. They want to make sure they pay Bob White and all those people. But the curious thing is that even Bob White is not so enamoured by what they have to say. I will just read a couple of extracts from a letter he wrote to Bob Christie, assistant deputy minister, Ministry of Treasury and Economics, taxation and inter-governmental finance:

"We do not understand why this issue, relative to other much more important issues, has suddenly been given such a priority and why time has not been allowed for serious analysis, research and discussion." Uncle Bob is speaking now, folks. "We want to emphasize our opposition to the worker-financed venture capital fund. There has been no research presented to indicate that a lack of venture capital is a principal problem in the province and, if it were, why workers—rather than those with the capital and those who are in the business of 'risks'—should be placed at the centre of any solution."

The point of such funds is to get workers to buy into capitalism and the culture of tax breaks. So straightaway the government should be against it because it is encouraging people to buy into capitalism. This letter alone is the one reason I think I should vote for it, I must say. As somebody said before, anything Bob White thinks is bad is

probably good. But be that as it may, I know he makes some good points in it.

We do need workers to buy into capitalism, and when they buy into capitalism they will be party to the same risks entrepreneurs are faced with and they will come to an understanding that there is a sawoff between the number of hours you work, the amount of money you make, the benefits you get and the profitability and viability of the business.

He goes on to say, "They mean playing at the margin of the economy and divert attention from the real (complex and difficult) problems of economic strategy."

There is a labour paper called the Labour Times and there are a couple of interesting comments that are made.

"There are many reasons why companies in Ontario struggle and it is stretching it to believe that increased productivity from employee ownership will be enough to overcome them all."

It further goes on—I think this goes to the very heart of the whole argument I am making:

"Instead of propping up fundamentally unsound businesses through employee investment or otherwise, the province and Ottawa should attack those things, taxation levels, insurance and licensing costs, interprovincial barriers and the rest, that led them to the brink in the first place."

This is from a labour paper called the Labour Times and it is dated November 1991. I think it is quite correct. Labour is correct in its analysis here. We have to start looking at the fundamental problems we have in Ontario. By propping up fundamentally unsound companies we are not going to address the problem. It looks like the province is going to pour in hundreds of millions of dollars into buying a position in the major aircraft maker of this city, de Havilland, and I assume the next step is to persuade the employees to invest in it.

We know the company has not prospered under the most successful aircraft maker in the world. They only bought it a relatively short time ago and they did not pay a big buck for it, and yet they want to bail out of it because they say it is not working. We have to change the whole environment in which labour says, "We want to participate with you, we don't want to overpower you," and, by the same token, management has got to say, "We want to work with you to create a prosperous company so that your jobs are secure and your pay raises are possible."

2010

There are my concerns. Two thirds of the province's labour is unorganized. They will not be able to participate in these schemes. We have comparable concepts in other parts of the country, where they allow non-organized labour to participate and get these same tax breaks, but this government does not believe in anything for unorganized labour. They only believe in paying off organized labour, and I am concerned.

As we move forward with this legislation, as I have said, there is no doubt that we have to get to the point where we have warnings to workers that they must fully understand what they are getting into. We should have very stringent requirements in terms of the prospectus. The wording of the prospectus has to be such that the average employee will be able to fully understand the document,

and that is a significant challenge, because lawyers have difficulty in agreeing on the nuance of words.

Indeed, the very reason we have legislation which takes lawyers so long to plow through is the legalese, which lawyers have concluded they cannot find a better way around. They would like to write it in plain English, but there is a nuance to a word unless it is written in legalese, and there is the difficulty for workers.

In wrapping up, I will say that we have two proposals from the government which are only available to organized labour and do not adequately spell out the risks those people in organized labour will be going into in getting in these investment vehicles. They give very large tax benefits to these people over a period of years. In the case of one of the schemes, the first scheme I described, it will give a tax benefit of a little more than \$41,000 over the maximum life of the scheme of \$150,000. Built into it is the problem that workers who have so invested in a company which may already be unsound may in fact expect the government to bail it out when they have lost their life savings. With that, I conclude.

Mr Sterling: I would like to compliment the member for York Mills for pointing out some of the good parts and some of the bad parts of the legislation.

I think the salient point he has made is about this plan, the tax advantages that this government is willing to give out. I mean, they are willing to create tax advantages for the people who own companies. This is the party that talked about corporate welfare benefits and that kind of thing, tax loopholes and all the rest. What do we see in their first budget and in their legislation that is brought down after their first budget? The creation of tax loopholes and benefits for people who are going to own these companies.

I think the member for York Mills's most important point is that if you are going to create legislation like this, surely it has to be evenhanded. People who are members of an organization, specifically a union in this case, cannot in fairness be given an advantage over people who work in other workplaces.

Why does this government insist on discriminating against two thirds of the workers of Ontario by saying to these people: "You can't have these tax benefits. Only the people who work in an organized union workshop can have them." The answer of course is, as I think the member for York Mills has so accurately pointed out, it is a payoff. It can be nothing but a payoff. It is a payoff to the unions of Ontario for the election of the NDP government on September 6, 1990.

We will make amendments to this bill which will make it equitable.

Mr Johnson: I listened very closely to the member's dialogue and I have to say—

Mr White: Monologue.

Mr Johnson: Yes, it was a monologue. That is right.

I have to say I was rather disappointed. I mean, to suggest for even a minute that this legislation was drafted in order to assist labour is incorrect. I want to suggest that the members opposite are scaremongering again. For them to stand up in this House and tell the people of Ontario that

this is an advantageous thing for labour is wrong. The people of Ontario also have an opportunity to invest. If they want to invest in a labour-sponsored investment fund, they can have some tax advantages that will help them.

I want to say too that employees of companies who want to invest in their companies, who want to secure their futures, also have an opportunity to invest. That is something that is very advantageous. Without this opportunity these people would not have an opportunity to secure their future. They may in fact ultimately become unemployed.

For the members opposite to suggest that this legislation was devised in order to assist the unions in Ontario, for them to stand there and say that—to the people who might be watching this evening, listen very carefully, because what the member was speaking about is wrong; this is not anything that was devised to be advantageous for unions in Ontario.

Mr Chiarelli: I appreciate the concerns of the member for York Mills, particularly the comments with respect to tax credits which are available to members of unions. We have to have concern here for any investor in this type of economy. There is no economic nirvana for anybody in this economy or in any economy, unless perhaps a government bond.

We know there has been a lot of salesmanship in the past for particular types of tax shelters or tax credits. The best example is the situation with respect to MURBs where a lot of people participated in MURBs and tax shelters in the real estate area because they were going to get tax credits. We have to have great caution with respect to this particular plan for workers because they may get an instant tax credit but, as I pointed out earlier in my comments, there is no right to redemption of their shares; there is no right to transfer their shares. The legislation particularly says a corporation "may" redeem its shares.

In those cases where people are being transferred to another city or jurisdiction, for whatever reason, in those circumstances where people retire or there is a downsizing of the business and there are a lot of people leaving the employ of the business, it says the corporation "may" redeem these shares.

There are a lot of people who are going to get stuck with these shares without being able to get their investments back or refunded. There are going to be a lot of situations akin to the MURBs, the multi-unit residential buildings, where people are trying to unload and there is no cash and there is no market. There is a real caution we have to give here for this investment for workers and I would ask the government to look into ways to address it.

2020

The Acting Speaker (Mr Villeneuve): We can accommodate one further participant.

Mr White: Like my colleague the member for Carleton, I would like to compliment the member for York Mills; however, I find that extremely difficult. The issues he brings up with regard to organized labour are the same as did his colleague the member for Carleton. Again, this is a mirage. How can he speak of representatives of unorganized labour if they are not organized?

As well, it is obviously clear within the legislation that this form of investment is available to all of us. To state that it is problematical, when this province is desperately in need of substantive industrial investments, indicates that rather than benefiting from full participation of all our community, my colleague would instead be ideologically blinded to the possibilities of economic renewal with fairness in our community and instead say, "No, no, we can only rely upon multinationals, upon American investors," perhaps upon those traditional sources that have dried up. We can no longer rely upon those sources, and I exhort my colleague to join with us in looking at a substantive renewal in our province, of which this piece of legislation is a keystone.

The Acting Speaker (Mr Villeneuve): This completes questions and/or comments. The honourable member for York Mills has two minutes to respond.

Mr Turnbull: I certainly thank my colleague the member for Carleton for his sage comments and his advice over the time since I have been elected, and particularly with this legislation. One would expect him to agree with me.

But the next comment was made by the member for Prince Edward-Lennox-South Hastings. Notwithstanding the fact that he very kindly brought me a glass of water during debate—I trust he did not do anything with it—his very argument undermined itself. He said this was not pay-off time for unions because anybody could invest through labour-sponsored investment funds.

Yes, this is an investment fund you must invest in through a union. In point of fact, we have in Manitoba and Saskatchewan legislation which allows anybody, non-organized labour, to put together a co-operative of workers to invest through this type of vehicle. But this legislation under the NDP government in this province says: "No, that's not acceptable. We will only allow you to invest and get the tax credits if you invest through a union." Anybody who has read the legislation will know that is correct, and to misrepresent it is a grave sin.

I agree with my friend the member for Ottawa West too that this is very similar to MURBs and film productions where people are sucked into an investment where they have a set of expectations and in fact at the end of the day they are going to lose their money, and then they are going to come to the government and say: "Why did you bless this? We want our money back." It ain't going to happen, because we do not have any money.

The Acting Speaker (Mr Villeneuve): Further debate? Seeing none, would the honourable Minister of Revenue wish to wind up.

Hon Ms Wark-Martyn: There have been many concerns expressed that this legislation will allow only unionized workers to participate in the program. The legislation is clear, and there are two aspects to the program. The labour-sponsored investment fund, under which unionized employees can invest in Ontario's small to medium-sized businesses, will allow investment by other Ontario residents. The employees who are not unionized can invest in their own corporations by creating an employee ownership labour-sponsored venture capital corporation.

The program does not restrict investment to only financially troubled corporations. Investment can be made, and will probably be made, in other than financially troubled corporations, such as small businesses where the retiring owner wishes to give the employees the opportunity to purchase the business.

Employees will be able to obtain information about companies before they invest, as disclosure must be made in accordance with the Securities Act. It has been stated on many occasions that the provinces of British Columbia and Saskatchewan have programs that provide more generous opportunities for investors and that the federal government is matching the credits granted by the provincial governments. The federal government is providing matching tax credits for the Ontario program to the same extent as those of the other provinces.

Other concerns have centred on the possibility of an investor losing his investment because a company fails. This government has no plans for a bailout in those circumstances. We believe that because employees will control the companies and will be able to obtain advice before they make their investment, the risk of loss will be considerably reduced.

The Acting Speaker (Mr Villeneuve): Ms Wark-Martyn has moved second reading of Bill 150. Is it the pleasure of the House that the motion carry?

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

I have received a note that reads: "Pursuant to standing order 27(g), I request that the vote on the motion by the Honourable Shelley Wark-Martyn for second reading of Bill 150, An Act to provide for the Creation and Registration of Labour Sponsored Venture Capital Corporations to Invest in Eligible Ontario Businesses and to make certain other amendments, be deferred until immediately following routine proceedings on Wednesday, December 18, 1991."

It is duly signed. The orders are accordingly deferred.

Vote deferred.

2030

RETAIL SALES TAX AMENDMENT ACT, 1991

LOI DE 1991 MODIFIANT LA LOI SUR LA TAXE DE VENTE AU DÉTAIL

Resuming the adjourned debate on the motion for second reading of Bill 130, An Act to amend the Retail Sales Tax Act. / *Projet de loi 130, Loi de 1991 modifiant la Loi sur la taxe de vente au détail.*

The Acting Speaker (Mr Villeneuve): When we last debated Bill 130, the honourable member for Etobicoke West had the floor. Does the member wish to resume debate? Would any other member wish to participate? The honourable parliamentary assistant to the Minister of Revenue and member for Prince Edward-Lennox-South Hastings—the honourable member has already spoken, I am sorry.

Mr Johnson: I apologize, Mr Speaker. I was not aware. It has been so long since we had this debate I had forgotten.

The Acting Speaker (Mr Villeneuve): That it has been, and it is late at night. The honourable member for Mississauga South.

Mr Callahan: Brampton South. It must be something about where I sit in the back bench that nobody can ever tell what my riding is, but the people in Brampton South know what my riding is.

It is classic in the Legislature that nobody ever debates tax bills.

Mr Sterling: On a point of order, Mr Speaker: I know the member for Brampton South has the tendency to carry on perhaps at some length, but is it the practice to time the speaker as he stands in his place?

The Acting Speaker (Mr Villeneuve): It is not a point of order.

Mr Sterling: I was just wondering why the clock indicated—

The Acting Speaker (Mr Villeneuve): The honourable member for Brampton South has the floor and he can resume debate.

Mr Callahan: Mr Speaker, you are doing a great job as Speaker, because you have just proved your impartiality.

Something that is really interesting in this place is that tax bills, during the seven or eight years I have been here, have just passed through this House like a fog over the heather in Scotland.

The people of this province are saying to every elected member of this Legislature, not just the government whose bill this happens to be: "We're hurting. Every nickel you take out of us has an impact in terms of how we can survive, in terms of looking after our mortgage, our taxes, even presents for our kids at Christmastime." I would be willing to bet if you did a survey of this province today you would find people who are doing without Christmas trees, perhaps doing without gifts for their children, because the politicians are taxing them to death.

Mr Abel: Yes, like 28 in the last five years.

Mr Callahan: The member from wherever—the member from Hooterville; I do not know—makes a statement that this has been done in the past. Wake up, Ontario. Realize the fact that I just said that in the past tax bills were passed through here—without a word of a lie—without anybody objecting, because Ontario was doing very well, thank you. There were jobs out there. There were not young people sitting around their television sets tonight who cannot get a job. I think it is very important and it deserves the impact and the importance of every member of this Legislature.

It is sad that even the minister who purports to present this bill is not here, that she has the audacity to tax people in Ontario further when in fact we are fast approaching Christmastime and there are people out there who cannot say to their children, "I have a job; we'll have a tree, we'll have some presents," because we have taxed them to death.

I have to say to members that although this bill deals with motor vehicles, motor vehicles are no longer a luxury. In some areas, for instance Brampton South, and I am sure up in the rural areas of Ontario, they are a necessity. You

cannot get from point A to point B or you cannot get a job because you cannot drive to it or you cannot get there by public transit. In fact, what we are debating tonight is a bill that has a very significant impact on this province in terms of mobility.

We heard the Toronto Transit Commission today say it is going to save \$30 million for the citizens of Toronto because it is going to cut down on the service at night on Spadina and a couple of other regular runs. I applaud them. But for the people in rural Ontario, the people who do not have the transit system they require to get from their homes to their jobs, a car becomes not a luxury but a necessity.

We saw the Treasurer bring in his budget. The Treasurer—I love him dearly; he is a good guy—brought in a budget that said at first that there would be a tax on certain types of cars that are gas guzzlers. Any young person out there in Ontario would have loved that, because he was saying we want to help our environment. In fact, it is described as an environmental tax, but as was said by a member the other night, does anybody see that money going into the environment?

We have seen the Minister of the Environment sit there and do absolutely zilch. She was the greatest advocate of looking after the environment for our children when she was in opposition, but now there is not one word from that minister. In fact, she brought in Bill 143, which is a sham. It will do nothing in terms of looking after the waste that is obviously multiplying day after day. She will do nothing for the young people of this province in terms of their desires, their aspirations, their wishes or in terms of what their world will look like when we have finished screwing it up.

Hopefully, some of those young people will eventually get into this Legislature and straighten us all out and tell us: "Enough is enough; I'm fed up. I don't want my environment screwed up. I want you to take money and spend it realistically to look after my world so that there is some of my world left for me to live in, in the same vein we have lived in it."

This is what the thought of the Treasurer was originally, to tax the gas guzzler vehicles. What happened? What was the next step? The next step was that Bob, Bob and Bob got together and decided we are going to lose jobs in our plants.

Hon Mr Philip: Bob, Bob, Bob, Bob, Bob, Bob.

Mr Callahan: We have the Minister of Industry, Trade and Technology, the man who is supposed to look after creating a better environment in economic terms for our province, and he is over there going, "Bob, Bob, Bob," which I find really interesting. He thinks it is funny.

Hon Mr Philip: No, I thought you were funny.

Mr Callahan: I may be funny. I have never thought of myself as being funny, I say to the minister, but I do tell him that there are a lot of young people out there who are watching what is going on in this august chamber. I used to think it was august, but I do not any more. I think it is a crock, quite frankly. They are there expecting us, as adults, to look after their interests in terms of the environment.

The Treasurer started out with a plan that I think he believed in. I think the Treasurer is an honourable man and

I have great admiration for him. He is a good friend. I think when he started out he had a good budget.

Mr Harnick: On a point of order, Mr Speaker: I do not believe we have a quorum.

The Acting Speaker (Mr Villeneuve): Is there a quorum?

Clerk Assistant and Clerk of Journals: A quorum is not present.

The Acting Speaker (Mr Villeneuve) ordered the bells rung.

2038

The Acting Speaker (Mr Villeneuve): A quorum now is present, I have been advised. The honourable member for Brampton South can resume his participation in the debate.

Mr Callahan: When they have a quorum call like that, I am liable to lose my place, but I remember that I was on young people. I was on my friend the Treasurer who came up with Bill 130, which in its former self as Bill 131—this is Bill 132—suggested that certain cars should be taxed.

What happened? The word went out to Bob White, Bob II. Bob II talked to Harrigan of Ford and Harrigan of Ford presented a very serious case, "If you bring this in, baby, you can forget about a lot of jobs for those people you purport to represent." Interestingly enough, there was a scurry, there was a great cloud of dust and a hearty "Hi ho, Silver" and into the back room they went where all things are done in this Legislature.

That is one of the things I would like to point out to the people of this province, who might ask, "Why would you denigrate this place by saying it's a crock?" Because it is a crock. They send members elected from 130 ridings across this province down here, hoping and trusting they will represent their specific ridings, and they do not do it. That is not an indictment of this government; it is an indictment of every government that has ever been through here. What they do is clap like a bunch of seals.

The member for Kitchener shakes his head, but he knows that is the way it is. The only alternative is that whenever any government that sits over there opposite the crown, which we are all told is where the government is, espouses a particular policy it has to be accepted by every member of the caucus simply because it is God-given.

I do not think the people out there who watch this show, if they are silly enough to, could believe that. They are saying that those people have been drummed, beaten and whipped into order, so their vote becomes a nullity. The government members are voting for what the government tells them or, more appropriately, they are voting for what the oligarchy tells them, which is the Premier, about four or five cabinet ministers who are in the know and about six spin doctors who never got elected to anything in their lives, who are down in that back office on the second floor and in the Premier's office, eating shrimp and God knows what, making the decisions.

The Acting Speaker (Mr Villeneuve): I want to remind the honourable member that we are on Bill 130. It has nothing to do with shrimp.

Mr Callahan: They are down there guzzling. If they are guzzling, that relates to Bill 130.

Every bill that relates to tax in this Legislature should be scrutinized to the ultimate. People have reached a stage in their lives, because of the recession—I call it a depression. It is not a recession. We should all use the D-word. We are at a stage where, if we did not have the social programs in place, we would be jumping out of windows like they did in the 1930s. That is how bad it is.

What does this government do? It brings in tax measures such as this, which are literally going to slaughter the car industry. There will not be any cars sold, at least in the category included in here. I will not bore you with them, Mr Speaker. The member for Etobicoke West was quite eloquent the other night in telling you what kind of cars they were. They are small cars. They are not the cars of the rich, they are not the cars of the polluters, they are cars that are quite small—cars you might drive, Mr Speaker, or many members of the Legislature other than the cabinet. Cabinet members, of course, probably drive the ultimate gas guzzler, because they are driven around at the expense of the taxpayers of this province, but I do not want to say that. That is unfair.

The people of this province, the people out there who are pinching their pennies, worrying about how they are going to look after the minimal costs, heating, rent, food, how are those people going to survive when this New Democratic—

Mr Harnick: On a point of order, Mr Speaker: I do not believe there is a quorum in this chamber.

The Acting Speaker (Mr Villeneuve) ordered the bells rung.

2046

The Acting Speaker (Mr Villeneuve): A quorum is now present. The honourable member for Brampton South can resume his participation in the debate.

Mr Callahan: Mr Speaker, I wish the government, which is responsible for keeping a quorum in this House, would do so, because every time I have to stop my debate I lose my train of thought. Some of those over there would say, "That's easy" or "Hoorah," but the government has a responsibility.

Interjection.

Mr Callahan: He has got it wrong. He just put his hand over his mouth. He was just told not to say that because if you say that you are muzzled or you lose your seat as chairman of a particular committee or parliamentary assistant, where you get extra money.

Interjection.

Mr Callahan: The whip is talking now.

The Acting Speaker (Mr Villeneuve): Please overlook the interjections. They are out of order. Please address your comments to the Chair.

Mr Callahan: I will do my absolute best. I notice that the spin doctors off in the wings underneath the press gallery are trying to pass messages furiously to the government: "Muffle, muffle, don't say anything, because if you do, they'll debate it." The whip is going off to check that

out, to make sure the spin doctors under there are not doing that.

In any event, there are people out there who are purchasers, there are people out there in business to sell cars, there are people out there in business to lease cars, there are people out there to sell tires, there are people out there to repair cars, there are people out there to sell parts. There are people out there for a whole host of things.

This bill becomes particularly significant when we look at the headlines in the news tonight that Bob White is in Oshawa—and I wish him luck—furiously working to save the jobs of some 4,000 workers. What is the Treasurer doing? The Treasurer was unaware this would happen. Bob White is probably saying: “Hey, Floyd, why did you do that? Why don’t you withdraw that tax? We’re down here trying to negotiate a deal that will be made in Detroit, probably tomorrow morning, where 4,000 poor souls will be kaput, out of their jobs by 1995. Union people you say you represent will be out of work.”

I will probably not be here in 1995 around Christmas-time to debate the poverty these people will be in, where they cannot get a Christmas tree or gifts for their kids because they are out of work. But if I am not here in 1995 I will be out there as part of the citizens concerned about what the government is doing taxwise and saying to myself, “We told you so.” I will think back to the Minister of Industry, Trade and Technology laughing about it.

Hon Mr Philip: Who’s laughing about it? You don’t need to tell lies to the House about other members.

The Acting Speaker (Mr Villeneuve): Please don’t use those words.

Mr Callahan: It is interesting, Mr Speaker. We are here every day in the House dealing with the question of the Minister of Northern Development and the minute we say “liar” the House leader is up on his feet saying we cannot do it, yet the Minister of Industry, Trade and Technology can stand there and call me a liar. I find that objectionable. There must be separate standards. It is like the Premier; there are separate standards. The Premier has his guidelines that tell us everybody is going to be holier than thou, and when it comes time—

Mr White: On a point of order, Mr Speaker: The member for Brampton South had some very interesting discourses that have nothing to do with Bill 130.

The Acting Speaker (Mr Villeneuve): The honourable member for Brampton South, please stay on the subject.

2050

Mr Callahan: I am really pleased; that is the first time the member has come up with a point of order that was correct. I agree, I am off the point. I am off the point because I am silly enough to respond to the comments made by the Minister of Industry, Trade and Technology, our paramount minister, who is supposed to be getting us industry for this province, making light and calling members in this House—

Mr White: On a point of order, Mr Speaker: Let me address that same issue. We are dealing with Bill 130, not with the issue of private members in their caucus.

The Acting Speaker (Mr Villeneuve): I have reminded the honourable member. Yes, he can deviate to some degree, but he must be addressing Bill 130. He has been advised of that and I think he is doing a good job.

Mr Harnick: On a point of order, Mr Speaker: I do not believe we have a quorum.

The Acting Speaker (Mr Villeneuve): I ask the Clerk to check if indeed we have a quorum.

Clerk Assistant: A quorum is present.

The Acting Speaker (Mr Villeneuve): A quorum is present. The honourable member for Brampton South can resume his participation in the debate on Bill 130.

Hon Mr Pouliot: On a point of order, Mr Speaker: I thank you very kindly and best wishes. I am appalled and shocked that people are asking whether the House is duly constituted.

The Acting Speaker (Mr Villeneuve): That is not a point of order.

Hon Mr Pouliot: Mr Speaker, with the highest of respect, I notice that the Conservatives have but one member here.

The Acting Speaker (Mr Villeneuve): That is not a point of anything.

Hon Mr Pouliot: Yet the government is represented by soldiers at their posts, just for the record.

Mr Harnick: On a point of order, Mr Speaker: It almost needs an apology to soldiers for the minister to come in here and degrade soldiers.

The Acting Speaker (Mr Villeneuve): That is not a point of order. To the honourable member for Brampton South, please address your remarks to the Chair—interjections are out of order—and please resume the debate.

Mr Callahan: I intend to do that. I have to speak about Bill 130 and I think it is an important issue, but I find it passing strange that a member of the Legislature, the Minister of Transportation, who has been around here for a long time, does not understand what a point of order is and attempts to rise to say that anybody other than the government has to maintain a quorum in this House. We all know, and the people out there now know, that the government has the responsibility to do that.

Getting back to Bill 130, because that is the subject of our debate, the Liberals had a bill that dealt with cars that used gas excessively because we were concerned about the environment of this province and concerned about truly looking after the environment for people coming after us. When we did it, it was only targeted to a minority of cars with the highest fuel inefficiency. In fact, when we were in power the government got rid of leaded gas, basically phased it out.

Mr Hope: How many jobs did it cost?

Mr Callahan: The member for Chatham-Kent asks how many jobs it cost. Let me tell him something, this gas—

Mr Hope: Tell me how many jobs. Don't tell me the preamble to all the stuff.

Mr Callahan: We are on the eve of Detroit telling General Motors, very sadly, that there are going to be something like 4,000 jobs lost. They are going to eliminate these jobs by 1995. How can members over there speak about how many jobs were lost? We are on the eve of 4,000 jobs, of the people they supposedly represent, possibly being lost. I find that absolutely sad and terrible. I think any member of the government who is not prepared to be led down the garden path by the ring through the nose is prepared to say that too. It is a very sad time.

For an honourable member of the government to ask how many jobs the suggestion of the Liberals cost—it did not lose any. Members did not hear Ken Harrigan of Ford trying to get hold of somebody to change the tax, as he did with the Treasurer. They did not hear him saying, “Jobs will be lost because you’re bringing in a tax that is so pervasive it is going to lose jobs.” It was done in a very honest and fair way in that it achieved two objectives: ensuring that cars with inefficient fuel consumption were environmentally sound, and not interfering with the jobs of those people in the auto industry. We were very sensitive to that.

The members opposite, for some reason, are like an elephant in a living room with a china closet. They just go trampling through and say, “Hey, here’s a great place we can get taxes from.” They just charge through and do not worry about the people they supposedly represent on the side of jobs. On the other side of the coin—

Mr Elston: Here he is.

Mr Callahan: Floyd, come on in, join the party.

On the other side of the coin, you do not buttonhole the Treasurer, who is a good friend, and say, “All right, if you want to raise these taxes”—because Bob White talked to the Treasurer and the Premier and suggested: “Here is what we should do. We should enlarge the number of cars affected by Bill 130 and spread it around. Let everybody pay it, not just those people with inefficient cars who are going to pollute our environment. Let everybody pay for it.”

The Treasurer did not tackle him on that. He did not wrestle him to the ground, which I would have expected because I think he is an honourable person. I think he allowed Bob White to come forward and say, “Mr Harrigan is upset and we want you to change your tax and we want you to cover a whole host of vehicles.”

When this bill is passed—I am sure it will be because it will be rammed through with the arrogant majority the government has—there will be people who might want to buy their wife a Honda Accord for Christmas or for New Year’s, or there will be some young university student who has graduated and the father wants to buy him or her a Honda Accord or something along those lines. When he goes out to buy it he looks at the bill and says, “Holy cow, what is this?”

I suggest in all sincerity that there should be an amendment to this bill that would require every bill of sale to that wife getting a car, that young person getting it as a gift, or that young person who saved his or her dollars to get it, to have written on it “the Floyd Laughren tax” or “the NDP tax” so

that these people are clear as to how that extra money got there. That money is going to be significant, big bucks. These people who have saved and worked hard to collect those dollars they thought they had to pay will now find they are going to have to pay just a bit more. That means when they go to the car dealer they cannot get it, they cannot drive it home, because they do not have that extra money. They can thank their New Democratic government for that. They can thank them for imposing a tax without thinking of the repercussions.

Unlike the Liberal government—where it was a matter of trying to make certain that cars with the highest fuel inefficiency would be taxed to present that money to cover environmental problems—they have not thought about that. This government, as the member from Etobicoke said, put all the money into what they call a consolidated revenue fund. I want everybody out there watching to understand what that is. It is a bottomless pit into which all the money goes.

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Mr Mills: I don't think there is anybody watching.

Mr Callahan: The member for Durham East says nobody is watching. There are a lot of people out there watching who are concerned about it to the extent that they now tune in because they want to be sure what is going on in this place. They are tired of this oligarchy. They are tired of this inefficiency in government. They are tired of being taxed to death. They are tired of being told afterwards that this debate went on, because nobody debated it in the past. It has become a time to debate every tax and expenditure of the government.

Their comment would be, “Why didn't the Liberals do it?” We were very fortunate; our time was when times in Ontario were good. Perhaps it was not that significant, but today it is. If my government were in power now I would be standing up and speaking exactly the same way I am now, as a member of the Liberal government.

Hon Mr Allen: Tell us another one. We remember.

Mr Callahan: Check my record. I will match my record against anybody's in this House. But I know what the government is going to do. It will say: “Who cares? It's tax. Let them eat cake.” Remember Marie Antoinette? She purportedly did not say that, but I think that is the attitude when you get over on that side of the House, when the crown is facing you, when you get the power. It is, “I don't know those people who voted for me in Kitchener and”—let me get some of those ridings out, because I think they are really important.

The member for Windsor-Riverside says: “Who are you? I don't know you.”

The member for Etobicoke-Lakeshore, when she meets somebody on the street says: “I don't know you. I'm voting for this bill because the government wants me to.” They say, “Ruth, we voted for you. We expected some environmental concerns. We expected moneys raised by this bill to be earmarked for that very concern, that this gas guzzler tax had a real meaning to it.”

People meet the member for Lake Nipigon. They will say to him: “You know, the north is in trouble and we need

money. Have you approached the Treasurer to earmark some of these new taxes to be allocated to the north?"

I could go through this whole list but I am not going to do that because I know there are other members in this House who wish to debate this bill. I am pleased there are people who wish to debate this bill because I will end the way I started.

Taxes, when it was fat-cat Ontario, that passed through this House like the fog or the dew over the heather, can no longer happen. It is important that not just members from the opposition but government members understand that and stand up, fight, debate and question every tax measure and expenditure that comes through this House; that they are interested and fight for the integrity of ministers being required to account to committee in this House, because they are the people who have access to the strings of government and to the strings of expenditures. It is time for the people of Ontario to be given returns for that sacred trust they gave each and every member of this Legislature on election day in 1990.

Mr Harnick: I have been sitting in this House and listening to the debate on Bill 130. We started this debate a week ago, I believe it was last Thursday, and I have yet to see a member on the government side stand up to tell us why this is a bill that is worthy of voting for. There has not been a single person on the government side stand up to defend this piece of legislation. The reason is that they know their constituents are tired of paying taxes. They cannot justify another tax, yet they all sit there on their hands, afraid to say anything and afraid to do anything and afraid to represent their constituents. That is why we all have the opportunity to come here and talk about these tax bills and have the opportunity to try to do something positive for our constituents, and that is why I am participating in the debate tonight.

In the riding of Willowdale, which is an urban riding in Metropolitan Toronto, my constituents are concerned about the amount of tax they have to pay. They are concerned every time the government raises taxes, because every time the government raises taxes they have more difficulty maintaining their businesses, their homes, their jobs, and that is what this bill is all about.

This is an insidious tax that is going to increase and has increased the cost of every vehicle being sold. It is very interesting that as the cost of vehicles goes up, the volume of sales goes down. We also see that the automobile industry in this country becomes less able to compete with manufacturers in the United States and in other parts of the world. The proof of that is the fact that General Motors is under siege, and as of tomorrow 4,000 unionized employees are going to lose their jobs. Their futures are at stake.

It is a sad, sad thing that this government, instead of recognizing the difficulty of the automobile industry to be competitive, has gone ahead and heaped one tax on top of another tax. It has done the same thing the Liberal government did: 33 tax increases; this government comes along and is doing the exact same thing. It is just piling it higher and deeper on top of the taxpayers and the workers of this province. At the same time, this government purports to represent working people. Well, the working people in my

riding do not want to pay any more taxes, and they are tired of it.

Mr Winninger: How do you know? Do you ever talk to them?

Mr Harnick: As a matter of fact, I do speak to my constituents, and they do not want to pay any more taxes.

It is interesting that the members on that side of the House not have the guts to stand up and tell us why this is a good bill. I notice not one single person has attempted to do that, not one single person has stood up to try to explain to their constituents why this is a beneficial tax and why their constituents should be happy to pay it. Not one person on that side of the House has got off his or her duff since Thursday, when we started to debate this, and is prepared to talk about why this is a good tax and why his constituents should be happy. The reason none of them stands up is because every one of them is embarrassed. They are embarrassed because they promised certain things to their constituents and now they are breaking those promises. They are doing exactly what the Liberals did, they are raising taxes. Instead of looking at ways to stimulate the economy and have private industry create the wealth so that taxes can come down, they are prepared to make more people pay and pay and pay.

The people in Willowdale are not happy about that. They are not happy about taxes going up, they are not happy about paying more for gas, they are not happy about paying more for cars, they are not happy about paying 11.5% or 12.5% more for hydro. It makes it very difficult. Toronto is a difficult and expensive city to live in for my constituents. Every time they raise taxes, it makes it more difficult for my constituents to live comfortably, it makes it more difficult for my constituents to pay their mortgages, it makes it more difficult for my constituents to pay their taxes.

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The Treasurer sits and shakes his head at me and smiles. I am amused, because I know if it was appropriate the Treasurer would probably get up on his feet. Maybe eventually in this debate he will try to explain to us why the constituents of this province and his constituents should be happy to pay this tax. As I have told government members, and I now have the ear of the Treasurer, not one single person on the NDP side of the House is prepared to stand and justify this tax to his or her constituents. I do not think (a) they talk to their constituents, because if they did they would know their constituents do not want to pay more taxes, and (b) they do not have the guts to stand here and say why this tax is needed. The reality is that it is not needed.

Mr Winninger: You would slash hospital beds.

Mr Harnick: The Liberals may have taxed hospital beds; you close hospital beds.

The Deputy Speaker: Speak to the Chair.

Mr Harnick: Every time the government runs into a crisis and every three months when the Treasurer has to come up with his statement to regulate or justify the Treasury policy, he goes ahead and closes beds, because that is the way he is saving money so he can come in at a \$9.7-billion deficit. That is really something to be proud of. They close

hospital beds to try to keep the deficit under the projected figure and they tell me people tax hospital beds.

This government has a long way to go if it is going to try to prove to people that this tax is for the benefit of the people in this province. It is not for the benefit of the people in Willowdale.

As I was saying before the member for London South decided to talk about the closure of hospital beds, my constituents are having great difficulty. They have great concern about the ability to maintain their jobs, the ability to pay their taxes, the ability to pay increased hydro rates, the ability to keep their businesses going, and this particular tax does nothing to help them. It only adds insult to them.

We have all heard the old adage that there are only two things that are certain in life, death and taxes. This government is going to kill this province and we are going to have death, or it is going to keep raising taxes, which it has been doing. I think it has done a masterful job of doing that.

They raise the tax on the price of basic transportation. The people in my riding, which is a suburban riding, need their cars to go to work. In my particular constituency, the roads are overcrowded. We do not have a transit system that has grown with the population. We keep hearing from the Minister of Transportation that he is going to build a subway, but we never see any action. We heard from the Liberals about their \$5-billion transportation plan and we heard from the NDP that they were going to continue that. I have not seen one single improvement in my riding because of anything this government has done.

Then they go ahead and raise the price of basic transportation. When people in my riding go out to buy the cheapest, most economic car, they pay extra for it, because the Treasurer allegedly wants to look after the environment. Not one cent will go towards the environment. This is just a tax grab.

The Treasurer is saying, "Charles, Charles, Charles," and I appreciate that the Treasurer is sensitive about this; he is sensitive about the things I am saying. Unfortunately, he does not have one single person on his side of the floor who is prepared to stand up and stick up for the tax he is levying on the people of Ontario. There is no one on his side of the floor who is prepared in any way to say that this tax is justifiable.

We are talking here about what this tax is doing to the car industry. It is interesting that tomorrow we are going to hear about a lot of jobs that are being lost. This tax has not helped make the car industry in Canada more competitive. It has made it less competitive, and therefore we are seeing jobs going south. They sure cannot say it has anything to do with free trade, because we have had the auto pact in this country since about 1962 or 1963.

Interjections.

Mr Harnick: No, it has nothing to do with free trade, not in the auto business. But this tax has not done anything to make the automobile business in this country any more competitive and therefore jobs are being lost. The government has done a number of other things to destroy the climate for doing business in this province. They have labour legislation that they are about to propose. It comes

out in a leaked cabinet document so that everybody can see in advance what the government is planning to do, and they get upset. They see that here comes another blow to business in the province. They government has created a situation where it deliberately says: "We're not interested in developing labour legislation that is balanced and fair. We want to deliberately provoke confrontation and we deliberately want to tip the balance from being even to being union, one-sided."

What does that do for the business climate? It makes this province less competitive, and we lose more union jobs. I keep hearing the Minister of Labour stand up and say that the labour laws here have been marked by confrontation. The labour laws in Ontario have not been marked by confrontation. Granted, there are strikes and there are disagreements and there are contracts that have to be negotiated and sometimes that it is a difficult process but, by and large, labour legislation in this province has been among the most progressive of any jurisdiction in North America. We have not had the violent strikes they have had in Quebec. We have not needed the labour reforms that this government is about to propose.

But what is that labour legislation going to do? It is going to take supervisors and make them all union people. That is indicative of the fact that this government does not do the right things to make this province competitive. It goes back to labour legislation, it goes back to taxes, it goes back to the climate they are creating: the deficit, the labour legislation and increased taxes.

Everybody in this government is proud of raising taxes. I think that is a tragedy. That is absolutely the most ludicrous, backward way to try to make an economy strong I could ever imagine. This tax is just another example of that. It is a tax grab that hurts everybody. It is a tax grab that is not necessary. It is a tax grab that as of tomorrow will indicate to the Treasurer that it has hurt workers, has lost jobs, has hurt General Motors and has hurt Ford, and it has not done anything of a productive nature for this province.

The other thing is that we hear all of these nice things from this government. We hear that this tax is a tax that is going to help the environment, just like the tire tax and other taxes. None of it is going to the environment. It is nothing more than an out and out tax gouge. Again, all it does is create in this province a climate that makes it absolutely impossible for people to have jobs that are secure and for people to be able to pay the taxes that are already levied against them.

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I do not think this is a very good tax. I do not think it is going to help young people in this province. I represent a riding in the municipality of Metropolitan Toronto, and it has become virtually impossible for a young person to afford to purchase a home in the municipality of Metropolitan Toronto. The members of the government side laugh about that; they laugh about the fact that people are brought up in this municipality and then they get old enough and they get educated and they want to live in this municipality and they cannot.

Hon Mr Pouliot: Who paid for your education?

Mr Harnick: I paid for my own education. The Minister of Transportation wants to know who paid for my education. I can tell him two things: (a) that I got an education, unlike him, and (b) that I paid for it myself.

Interjections.

Mr Harnick: The levying of all of these taxes makes it virtually impossible—

Interjections.

The Deputy Speaker: Order. The member for Willowdale.

Mr Harnick: I suspect that education here really sparks a note. I suspect there are a whole lot of people on that side who wish they had one. But let me go back to young people. Young people today no longer can afford to live in the municipality of Metropolitan Toronto. They get an education here—

Interjections.

The Deputy Speaker: Order.

Mr Harnick: I really notice that the people on the other side of the House have a lot to say about taxes when they are sitting on their behinds, but I have not seen one of them spring to his or her feet to justify the taxes this government is levying.

Interjections.

Mr Harnick: Let me try again, because it is quite obvious that the government does not wish to hear about the difficulty that young people are having in my riding because of its policies.

Young people in my constituency, once they complete their educations, cannot afford to live in the community they have been raised in. They cannot afford it because they go out and get a job and they have to pay so much of their income towards taxes that they really cannot afford to continue to live in the community they were raised in. So they have to go far away. They probably have to move away from the municipality where they work and where their family hails from, and they need their cars. They need their cars and they have to pay for gas. This government has not made it any easier to afford basic transportation, nor has it made it any easier to afford gasoline.

I hear the Minister of Tourism and Recreation, a voice seldom heard in this Legislature, the minister who has probably about the third- or fourth-largest budget of any minister. I note every week hotels closing up, gas prices going up and fewer and fewer tourist dollars coming to Ontario. I hear very little from the Minister of Tourism and Recreation. I cannot recall the last time he made a statement of any significance in this Legislature, save and except for the time that he got rid of admission fees to Ontario Place. I really do not think that increased tourist dollars one iota. I do not think the Pinestone resort in Haliburton that closed up for the first time ever in the winter because it could not afford to stay open really benefited very much by Ontario Place's free admission fees. So I am waiting to hear what the Minister of Tourism and Recreation is going to tell us about what he is doing to attract tourist dollars.

I am still waiting to see how the Minister of Labour is going to tell us how his proposed labour legislation is

going to create a better climate for workers and for employers in this province. I am still waiting for the Minister of Transportation to build the Sheppard subway in Willowdale, to complete that \$5-billion plan that they promised, the one that they stole from the Liberals, who did not deliver. Those are all the interesting things I am waiting to see.

I think it is interesting that the Minister of the Environment is here. She is the big beneficiary from the tire tax and the gas guzzler tax, but I have not seen any of these dollars going into any environmental programs. These dollars go into general revenue. They just keep raising the taxes and raising the deficit. So I cannot see that any of this is helping anyone every time they raise the taxes.

It is interesting that after the gas guzzler tax was first announced, Ken Harrigan, the president of Ford Motor Co, said it was going to hurt the automobile manufacturers in the province of Ontario.

Mr Winner: There's a guy who knows how to attract business to Ontario.

Mr Harnick: There is the member for London South talking about, "There's a guy who knows how to attract business to Ontario." What the president of Ford Motor Co said about two weeks ago was that in spite of the fact that he has no respect for this government because it does not know what it is doing, he is committed to continuing to spend money here because he has an allegiance to his employees, he has an allegiance to this province, despite this government, and he has so much money tied up in the Oakville assembly plants that he has no choice but to stay in Ontario.

I think the member for London South who said something to the effect that there is a great person, in derision, when I mentioned Mr Harrigan's name, should be thankful that Mr Harrigan continues to work. I am rather shocked when I hear those remarks, those disparaging remarks about probably the biggest employer in southern Ontario. What do the members of the NDP government say? They say: "There's a great Ontarian, Ken Harrigan. What's he ever done for this province?" I will tell the members, he has created wealth and he pays a lot of taxes so that their deficit is not even higher than the \$9.7 billion.

The Deputy Speaker: There are too many conversations going on. I have great difficulty in hearing your debate.

Interjections.

Mr Elston: Just while we have a break, and bearing in mind, Mr Speaker, that we have a couple of moments right now, could you repeat for us the matter at hand, so that the people here who have just come in and who have sort of disrupted our proceedings would be aware of exactly what it is that we are debating?

The Deputy Speaker: The member for Willowdale has been debating Bill 130, An Act to amend the Retail Sales Tax Act, and he has been following the bill fairly closely.

Mr Harnick: I have touched very briefly on the labour legislation that the Minister of Labour has proposed.

It is interesting when we talk about taxes, when we talk about competitiveness and when we talk about the climate in this province. I will just read the All Business Coalition

press release of October 17, and it says: "Permanent job losses will accelerate dramatically if the Ontario government proceeds with its proposed revisions to the Ontario Labour Relations Act, according to a survey of 300 chief executives in the business community."

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We have high electrical costs, with power costs going up by 12.5%, and taxes going up, even for basic transportation, and labour laws do not create a great climate and they do not inspire a lot of confidence in the future, in so far as the people of Willowdale are concerned. The All Business Coalition did a survey of 300 executives which shows the economic and social needs of our citizens will not be satisfied until business confidence is restored and the province sends out a signal that Ontario is open for business.

What signal has this government sent out? They have sent out a signal that indicates they do not want to do business in Ontario. They do not want people to prosper. They just want people to pay higher taxes so they can keep their \$9.7-billion deficit at what they said it was going to be. In the course of doing that, they are going to close up a few more hospital beds, but they are going to do their darndest to keep that deficit to \$9.7 billion and recklessly—three times the level of the deficit left by the Liberals, their \$3-billion deficit.

I noticed that the provincial deficits, cumulatively, are going to be about \$14 billion this year across the whole country, and almost \$10 billion of that is right here in Ontario. I will say that that is something that is not going to satisfy the citizens of Willowdale.

The All Business Coalition did a survey and its most important conclusions were that 86% of Ontario firms surveyed expected the adoption of the proposed labour legislation would result in the loss of some or all of the jobs they currently provide in Ontario. For the economy as a whole, this could mean as many as 480,000 Ontario jobs are threatened—and they are not threatened by free trade and not threatened by the GST; they are threatened by their proposed labour legislation.

What is the Minister of Labour's justification for that labour legislation? It is the terrible conflict between management and unions that he perceives. Well, there has been no such conflict, and when 480,000 jobs are at stake, it means taxes for everyone else have to go up. My constituents cannot live any longer with escalating taxes. They cannot do it, so this bill that raises the tax on basic transportation certainly is not helping my constituents, and I do not see anybody on the government side jumping up to tell me why it is a good and necessary tax.

The survey that talks about the business climate in Ontario goes on to say that 90% of respondents said the changes would affect their investment plans, with the result that \$20 billion in future investment over the next five years is in jeopardy if the government's proposed changes are enacted.

Where are we going to get that money back? Are we going to get it back because the Treasurer is going to cut programs? Well, he cannot do that now. He is trying, but he cannot do that now. Are we going to get it back because he is going to stimulate the economy? Well, tax increases are not going to stimulate the economy. So the only place

he is going to get any of this money back is by raising taxes even more. He is going to raise taxes even more, and the last person who leaves the province I hope turns out the light because the energy costs are going up 12.5% a year.

It always amazes me, but when you talk about \$20 million—\$20 billion; I cannot even say it, but \$20 billion; I cannot even conceive of it—\$20 billion, probably more than a third of the provincial budget, is going to go walking from this province, and the members across the way laugh. They laugh about that. They laugh about the fact that 480,000 jobs are in jeopardy. At the same time that they are laughing, what are they doing about it? They are raising taxes. They are raising taxes because they want to see if they can outdo the Liberals. They want to see if they can raise the taxes more than 33 times. Well, I can tell the members, they are on the road. They are right on track, because in the first year they are probably ahead of the Liberal pace. I think that they are just going to cruise along and make the Liberals look as if they were going slow. In one year they have tripled the deficit. The Liberals had a deficit of just over \$3 billion, and the Treasurer came along and the deficit tripled. So I do not think that is something that the members of this House should be laughing about.

I do not think they should be laughing about the fact that nearly 80% of the firms surveyed believed that the proposed changes would seriously weaken the ability of their operations to compete. It is interesting, the Treasurer is now getting on his Mulroney horse. When you do not have anybody else to blame, blame Mulroney. Do not ever look at what you can be doing yourself. Go ahead and blame the feds. Blame the feds. Jump into bed with the feds and do the same—

Interjections.

The Deputy Speaker: Order, order. The member for Oakville South, order.

Mr Harnick: It is interesting that as soon as the government does not know what to do, it blames somebody else. It blames Ken Harrigan at Ford, and tomorrow it will be blaming Mr Peapples at General Motors, and it is going to blame Mulroney.

Hon Mr Laughren: You can't defend him, can you? We want to hear a defence of Mulroney. The people of Ontario want to hear a defence of Mulroney.

The Deputy Speaker: Order, Treasurer.

Mr Harnick: Every time this government gets into trouble it points its finger at somebody else, but then it jumps into bed with them and it does the exact same thing. I remember when this government came up with this brilliant budget, the big-spending budget, and now it is running around talking about fiscal restraint.

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Hon Mr Laughren: You would spend this province into bankruptcy just like the federal Tories did. Talk about what the feds did. What did Mulroney do to this country?

The Deputy Speaker: The member for Willowdale, I would suggest you should perhaps address the Chair.

An hon member: I'd suggest the Treasurer address the Chair.

Mr Harnick: I think that the Treasurer should also address the Chair, because he is shouting there. He is coming out of his seat. I feel sorry for him because he is the only person here who can defend or try to defend what the government is doing. The rest of the bozos sitting there behind him have never paid taxes so they do not know—

The Deputy Speaker: Order, I simply will not accept that type of language. I will not accept that. Please restrain yourself. Address your remarks to the bill and speak to the Chair. The member for Willowdale.

Interjection.

The Deputy Speaker: Treasurer, please.

Hon Mr Pouliot: I've never heard that kind of language in a pool hall. I am insulted.

The Deputy Speaker: The Minister of Transportation, please.

Mr Jackson: Whose pool room do you hang out in and how come I never see you there?

The Deputy Speaker: Order, the member for Burlington South.

Mr Jackson: Excuse me, Mr Speaker. You are right.

The Deputy Speaker: The member for Willowdale, please pay heed to what I have told you.

Hon Mr Laughren: Go ahead and make an ass of yourself.

Mr Carr: On a point of order, Mr Speaker: I wonder if you could rule if "ass" is an acceptable term from the Treasurer.

The Deputy Speaker: Order. The member for Oakville South, you are not in your seat. The member for Oakville South, this is unbecoming of a member of Parliament.

Mr Carr: Sorry, Mr Speaker. I will sit here and be quiet. Mr. Speaker, the ruling is what?

Interjection.

The Deputy Speaker: The member for Oriole, please. The member for Oakville South, please take your seat.

Interjections.

The Deputy Speaker: Order, please. There is decorum to keep in this House and the procedures apply to all of us. I would ask your co-operation please.

Mr Arnott: The Treasurer used foul language.

Hon Mr Laughren: An ass is a donkey.

Mr Jordan: That's your definition.

The Deputy Speaker: Order, the member for Lanark-Renfrew. The member for Willowdale, you have the floor.

Mr Jackson: On a point of order, Mr Speaker: The member for Oakville South, whether he was in his seat or not, did call upon you for a ruling. The Treasurer did clearly utter and reference a member as "an ass" and he was not referring to a member of his own caucus. I would ask, Mr Speaker, in accordance with the House rules, that you rule on that point of order and the House awaits your decision.

Interjections.

The Deputy Speaker: Order, please. This is getting out of control. I said very clearly, very succinctly, that the member for Oakville South was not in his seat. The ruling

was made at that time and this is it. The member for Willowdale, please continue to debate. No point of order, please.

Mrs Sullivan: On a point of order, Mr Speaker: I think that all of us here are concerned about two things, and we recognize that you ruled appropriately that the member for Oakville South, my colleague, exhibited inappropriate behaviour in climbing over the seats to go back to his chair. However, the issue that the member raised when he was out of his seat related to the language that the Treasurer used referring to members opposite as "asses." He was not referring to the law, in the common expression, "The law is an ass." He was referring to people on benches opposite. We believe that expression to be unparliamentary. We ask that it be withdrawn.

The Deputy Speaker: Thank you. Let me explain what the role of the Speaker is all about. I sit in this chair trying to pay as close attention as possible to what goes on in the debate. When the House gets totally out of control, it is extremely difficult on my part to be able to render a judgement which will be satisfactory to everyone. Therefore, I would ask your co-operation to stop these points of order and let's continue with the debate. The member for Willowdale.

Interjections.

The Deputy Speaker: Order, please. Member for Oriole, you have a point of order?

Mrs Caplan: Yes. On the point that this Speaker raises, I believe that his concern about decorum in the House is justified, and I wanted to explain to him—I have been sitting here, also paying attention to what has been happening in the House—the Treasurer's comment has provoked some members in the House to the kind of behaviour which I believe is unbecoming, and that may be the reason that we have this problem.

The Deputy Speaker: Thank you. I think that we have gone—

Interjections.

The Deputy Speaker: Order, please. This is your House and I think we have debated long enough on that issue.

Mrs Caplan: The Treasurer should withdraw.

The Deputy Speaker: Order, please. Member for Willowdale, you have the floor.

Mr Harnick: I can understand the frustration that the Treasurer has. When we talk about these taxes and they cannot justify them, the only thing he can say is to call me an ass. He—

Hon Mr Laughren: No, a donkey.

Mr Jordan: You don't know the difference.

The Deputy Speaker: Order, please.

Mrs Caplan: This is conduct unbecoming a minister of the crown.

Interjections.

The Deputy Speaker: Order. I will ask you simply for your co-operation. The member for Willowdale.

Mr Harnick: I appreciate his frustration, because he gets no support from the people sitting there with him; they do not have any idea about what is going on. He is

entitled to be a little bit defensive, because when he raises everybody's taxes in this province, he is not a very popular person.

He does not know whether to cut programs. He does not know how to do that. He does not know how he is going to come in with his \$9.7-billion deficit. So he is inclined to call people names and he is inclined to lash out at people. He has to sit here with his bunch of backbenchers, none of whom gets up and takes any opportunity to join the debate, because these people do not have the gumption or the guts to stand up and represent their constituents—or the ability, I might add; they do not have a scintilla of ability to represent their constituents. When taxes are being levied, they say: "We don't care what happens to our constituents. We don't care if they have to pay taxes. We don't care if we raise the deficit. We don't care who's going to be left with the burden of paying this deficit. We just do it and we hide. We hide in the Legislature at 10 o'clock, or almost 10 o'clock, at night." They do not have the guts to stand up and fight for their constituents. They just sit there like bumps on a log. The one person—

Interjections.

The Deputy Speaker: Order. I have great difficulty in understanding why you are promoting the ire of the whole House. The member can use other types of language which will not be offensive or provocative. I would ask you please to co-operate.

Mr Turnbull: On a point of order, Mr Speaker: Unless you are prepared to rule against the people on the government benches who are hurling insults, it is not surprising that our member who is debating will certainly express his disgust and concern with that kind of language.

The Deputy Speaker: Thank you. The role of the Speaker is to be sure that the debates are conducted in a dignified way.

Mr Turnbull: You are also responsible for making a ruling.

The Deputy Speaker: Order, please. I have ruled before that I ask for your total co-operation, and I know—

Some hon members: That's not a ruling.

Interjections.

The Deputy Speaker: And I know that you will give me that co-operation. The member for Willowdale.

Mr Harnick: I do not expect anything better from this group of misfits across the floor than to hurl insults at me.

Interjections.

The Deputy Speaker: Order, please.

Interjections.

The Deputy Speaker: Order.

Interjections.

The Deputy Speaker: Order, please. You give me no other alternative than to recess this House for 10 minutes. Thank you.

The House recessed at 2151.

2202

The Deputy Speaker: The member for Willowdale.

Mr Harnick: As I was saying, it is a sad thing that we try to debate and all the government can do to defend its position is call me names. That is very unproductive, but it is the tactic of this government. They try to justify high taxes; they cannot, so they call you names. They do the same thing when we are talking about what is going on in northern Ontario, dealing with health care. They send out a minister to defend a policy, and what does she do? She lies. She slanders, and that is the way this government—

Mr Johnson: On a point of order, Mr Speaker: I believe the debate is on Bill 130, and the member very obviously is not following that debate.

The Deputy Speaker: I have to apologize. I was consulting with the table. I did not hear the member starting his debate, but I will trust that he will debate Bill 130.

Mr Harnick: I appreciate that it is rather difficult for some of the people on the other side to understand what is going on here, so I will start again. Maybe I should start at the very beginning. I have been speaking here for probably a little over an hour and I have noticed that the government members do not have the ability or the wherewithal to stand up and justify their high tax policies and their constant tax increases. What they do, in order to try to justify those policies, because none of them has the guts to stand on his feet and fight for his constituents—they call me names. The Treasurer comes in and swears at me because he cannot justify his policies—the Treasurer and Deputy Premier. Then some of the little underlings, who use him as an example, do the same thing.

Hon Mrs Haslam: On a point of order, Mr Speaker: Under standing order 23(k), the language used to incite—

Interjections.

The Deputy Speaker: Order. Will the member for Willowdale please continue.

Mr Harnick: I do not know what can be more inciting than to have someone swear at you. I merely point out that this is the only way they can justify their tax policies, because none of them has the guts to stand up and fight for the policies his government is ramming down the throats of the people of Ontario. All they can do is swear at me. It is the same way they justify their northern health care policy. They send the minister out and she lies and slanders, but that is how they justify what they are doing in the area of doctor-government relations.

One member of their government, the member for Lincoln, goes ahead and on a tax matter stands up and fights for his constituents. I might tell you, Mr Speaker, that I have the greatest respect for that member. His constituents should be proud that they have him in the House because he stood up, unlike every other member on the government side, and fought for his constituents, and what did it get him? He got sent out to right field.

Mr Scott: He never said he was sorry.

Mr Harnick: He did not say he was sorry and they did not give him that nice, plum job as the Chairman of the standing committee on finance and economic affairs back. What did it get him? So the rest of the members, instead of following his lead and standing up for their constituents,

what to they do? They follow the Treasurer's lead and sit in their seats, looking idle and swearing at me because I am standing up here fighting for my constituents. I can tell you, Mr Speaker, that this lot of people, representing 38% of the voters in the province, are the saddest lot of people I could ever imagine. They are proud to levy taxes on their constituents. They are proud to make the cheapest forms of transportation available more expensive. They are proud to raise the price of energy costs. They are proud of all the things that are hurting my constituents and, I hate to tell everybody, hurting their constituents too.

These people do not give anybody any credit if they are out trying to create wealth. All they do is make disparaging remarks about people who are trying to create wealth, trying to pay taxes, trying to create jobs. What do they say about those people? They have nothing but disparaging remarks. The reason is that they cannot justify a single, solitary policy their government is advocating. They all sit there and swear at the people who are trying to fight for their constituents because they do not have the guts to do so themselves. It is a pretty pathetic thing to see them sitting there ramming taxes down the throats of their own constituents. The only thing that gives me some comfort in watching them do that is the fact that I know, as they persist, none of them is going to be here after the next election.

It is interesting that Bob White was the first person to complain about the very tax we are debating. The government would not listen to Ken Harrigan, the president of Ford Motor Co, when he complained and said jobs would be lost, but they listened to Bob White. Bob White said, "If you persist in this tax, jobs are going to be lost." I can tell you, Mr Speaker, tomorrow 3,500 to 4,000 jobs are going to be leaving this province because this government—

Mr Owens: That's right. The fault is Brian Mulroney's.

Mr Harnick: Here we go with Brian Mulroney again. Interjections.

2210

Mr Harnick: The animals are rattling their cages because they are going to talk about Brian Mulroney and they are going to talk about free trade. Let me tell the members opposite that the auto trade has been governed by the auto pact. It has been effect since 1960. It is a free trade agreement that has brought more wealth to this province than any agreement it has ever entered into.

What is this government going to do? It is going to make this province so uncompetitive that tomorrow we are going to lose 4,000 union jobs. They can all stand up and take a bow, because they have not done one thing to make anybody more competitive so we can protect and increase those jobs.

All those people do is make disparaging remarks. I wonder when I sit down whether one of them will have the guts to stand up and defend this tax. I will bet right now that not a single person on that side of the floor has the guts to stand up and defend this policy of the Treasurer. That is why I am going to move the adjournment of the House, so they can have half an hour to find a speaker who can come and speak about this tax and try to justify it.

2242

The House divided on Mr Harnick's motion, which was negated on the following vote:

Ayes 0; nays 80.

The Speaker: The member for Willowdale has the floor.

Mr Harnick: For the member for St George-St David, I am going to start all over, because he missed the first part of the speech.

Mr Drainville: On a point of order, Mr Speaker: I believe the member for Willowdale actually moved the adjournment of the House and then voted against his own motion. Is that parliamentary, Mr Speaker?

The Speaker: I appreciate the point of order raised by the member. There is not anything out of order. Members are entitled to have a change of heart as time goes by, and we did allow a 30-minute clock.

Mr Harnick: It is interesting. I have been watching the Premier change his mind, so I decided to do it myself. He did it on auto insurance. He did it on conflict of interest. He did it on—well, look at the budget. One minute he was a big spender, and now he is trying to figure out how to be a big saver.

All of this escapes the members opposite. It was interesting. When we came back, one member said, "All we have done is waste the taxpayers' money." It is just a shame that the members of the government feel coming here to debate is a waste of the taxpayers' money. I think that really says an awful lot about the government, that coming here to debate the issues is a "waste of the taxpayers' money." The reason we are here tonight is to talk about the taxpayers' money.

Mr O'Connor: On a point of order, Mr Speaker: The member for Willowdale has mentioned many times that he would like to see some participation in debate from this side of the House. He has not spoken on Bill 130 in some time now, and he called for a 30-minute bell. I think we would like to participate in the debate. Perhaps he will sit down and allow us to participate.

The Speaker: Would the member take his seat.

Mr Elston: On a point of order, Mr Speaker: The honourable gentleman has raised a point about wishing to be involved in the debate, but it is quite clear that what is of concern to us in the opposition is that if the floor is given to the members opposite, we anticipate they will be trying to shut down the debate and, in fact, end it for all time.

In the interest of our being able to assert our right to defend the issues which we believe in most firmly, including the issue about which we are all most centrally focused in these last few days of the House before the Christmas break, we want the people here only to know that we have a right to make our points on this legislation, as well as having the right to ask for certain events to occur, like a resignation of the Minister of Northern Development. That is what this is about.

The Speaker: Would the member take his seat.

To the member for Durham-York, indeed the matter before the House currently is Bill 130, and naturally it would be helpful if two things would occur: if the member

for Willowdale would address his remarks to the Chair, and if others would refrain from interjections. Then perhaps we can entertain some further debate on Bill 130.

Mr Harnick: Dealing with Bill 130 directly, Bill 130 is a gas guzzler tax that is being imposed across the board on every make and model of automobile sold in this province.

We can talk, for a moment, about what goes into the manufacture of an automobile. We have, first of all, the cost of the various components. We have steel, and the manufacture of steel employs people. We have the development of the various components of the automobile. We make tires. They are made out of rubber. The manufacturing of tires creates jobs. We have the mechanical components of the automobile: the engine, the electronics. Every one of those manufactured parts creates jobs. Every time the tax on the cost of that automobile is raised, we sell fewer automobiles and therefore there are fewer jobs being created.

We have a few places in Ontario that are primarily involved with the manufacturing of automobiles. Steel comes from Hamilton, and I know there are a number of members in the Legislature representing ridings in Hamilton.

2250

I appreciate the member for Halton Centre handing me a note telling me about a few more components of automobiles, and I would appreciate any more that anybody could provide me with so we do not miss anything.

We have the city of Hamilton, and when the number of cars being produced is reduced, we do not have as much steel being manufactured and sent to the car manufacturers for this production. Every time that happens, places such as Hamilton suffer. They do not have the jobs they need to maintain their economies, and when people lose their jobs, it is devastating for them, for their families and for their communities. People lose their dignity.

I know that does not mean too much to the people on the other side of the floor. It does not matter to them that they are adding taxes and increasing the cost of automobiles and that fewer automobiles are being sold, but that is what this tax—

Mrs Caplan: On a point of order, Mr Speaker: I believe members must be in their seats before they can either interject or hiss to create disorder in the House. I would point out that the member for Downsview is not in his seat and is causing disorder and disruption and is not listening intently to the speaker.

The Speaker: The member for Oriole indeed has a point of order. Members of course are not supposed to be making interjections, but if they should decide to do so, they must be in their rightful places in the chamber.

Mr Harnick: It is interesting—just to digress for a moment—that some people actually make witty interjections. Other people can only expel air from their bellies. I suspect that most of the people sitting here now only have the ability to expel air from their bellies.

Going back to Hamilton, it is an industrial city, and when the government raises the tax on automobiles, a place that provides the raw materials to build those automobiles suffers. I know that not many of the members across the way really care about that, because they are all supporting tax

increases, but they are hurting the community of Hamilton and the people who live there. The people who live there are not happy about paying more money for taxes and for cars.

Hon Mr Pouliot: Tell us about free trade.

Mr Harnick: With all due respect to the Minister of Transportation, what we are dealing with when we are talking about automobiles is the auto pact, not the free trade agreement. The Minister of Transportation may think we are dealing with the free trade agreement, but we are dealing with the auto pact, which is in fact a form of free trade agreement, not very much different from the free trade agreement we have in this country.

The auto pact, I might tell the Minister of Transportation, has been probably the very greatest influence in creating a healthy automobile manufacturing industry in this country. The minister—and I gather he has a ministry that may in fact peripherally deal with automobiles and the manufacture of automobiles—should be well aware that the free trade agreement and the auto pact have been good for automobiles. As a matter of fact, I might mention to the minister, who seems to know all the answers when he is sitting on his butt, that the free trade agreement reduced the cost of automobiles.

That should have been a stimulant to the automobile trade in this country. But what did this government do? It decided to give back what the federal government took away. It decided to add to the price of automobiles by putting on the gas guzzler tax. What did that do for Hamilton? It meant that in the city of Hamilton, Stelco and Dofasco, and I suppose the Algoma Steel company in Sault Ste Marie, are now producing less steel for the production and manufacture of automobiles, and that has hurt the people who live in Hamilton. If that is something the members of the government are proud of, so be it, but I say to them that increasing taxes on automobiles is not going to help the economy of this province. It is nothing but a tax grab. It is nothing but pain to the citizens of this province.

In the production of automobiles, we also have the upholstery for seats—leather, cloth, the stuffing that goes into the seats—the glass, the windshield wipers, floor mats, instrumentation and electrical components. Every time the government raises the taxes and the price of automobiles goes up, what happens? We sell fewer cars. When we sell fewer cars, we hurt the people in Oshawa. When fewer cars are being sold, there are fewer people working on the shop floor at General Motors in Oshawa, and those people include the lowliest person who works in the pit.

I do not know if anybody from that side has ever been in an automobile manufacturing plant—I suspect they may have—but the plants have people who work in very difficult jobs. They work in the pit, with cars going over top of them, and they work very hard. They value that job and they need that job. The members of this government just shout at me, shout derision across the floor, but that does not help the people who lose their jobs because this government is raising the taxes.

It is a shame that so many members of the government had to get out of bed to come back here for the vote. Now they are going to have to listen to what they may be doing

to hurt the people who live in Oshawa, because when they are selling fewer cars, it hurts the whole economy. The small businessmen who depend on the consumers who live in Oshawa can no longer operate their small businesses because they do not have the free flow of money to pay for the goods and services they are selling. The fact that this government has raised the tax on automobiles is a very detrimental thing not just to the people who work in the automobile plants. These people lose their jobs and it has an effect on the economy of the whole city of Oshawa.

We see this government paying lipservice to workers. What is the lipservice it pays? It is going to bring in all of these terrific labour law reforms. These terrific labour law reforms are going to be great for the big union leaders, but they are not going to be so great for the person who has to perform the work and who is looking for a secure future for himself or herself or their family.

2300

The idea of worrying about tipping the balance of the labour laws, that are now equal between union and management, to favour unions, so that management does not have the opportunity to be competitive, is something this government just does not understand. The result is that those proposed changes to the labour laws are going to hurt people, hurt the workers who have to work on the shop floor. They are going to hurt the people who have to try to get ahead, and they do that with dedication to the companies they work for. They do that with the sweat of their brow. What does this government do to support those workers? It raises their taxes. I do not think that is something that is helping the employees of this province.

I refer again to the All Business Coalition press release of October 17, 1991, where it states quite clearly: "More than 42 of our member companies have closed their doors in the past year alone," said Neil De Koker, president of the Automotive Parts Manufacturers' Association, whose members provide 380,000 direct and indirect jobs to Ontario workers. "Why isn't government out there looking for ways to help us lead the recovery, rather than aggravating an already very difficult situation?"

They have this idea that they have to raise the taxes. Why do they have to raise the taxes? They have to raise the taxes because they cannot cut the programs. They do not know what to do, so they raise the taxes because they have to keep that deficit under \$9.7 billion. I might add, that is the deficit my children are going to have to pay for and the deficit that is going to prevent my children from finding jobs that give them a decent take-home pay at the end of the week.

The Minister of Housing is here and she thinks this is all very funny. I can tell her, I do not think it is very funny for my children and for children of their generation who want to grow up in the city in which they were born, who want to buy a home in the most expensive city in this country. They are not going to be able to do that because at the end of every week, even if they get good jobs, it does not take very long until more than 50% of their earnings are going to tax dollars. That is 50% of their earnings before we take into consideration taxes like the gas guzzler tax, which is going to cost people even when they buy the most basic

forms of transportation. I do not think this government is moving in the right direction. If anything, it is making the burden much worse on the taxpayers in the province.

It is interesting that when Bill 130 came along, it was actually worse than it is now. It is a tax that is totally unnecessary. The government brought the tax in and Bob White decided it was a bad tax, so the government decided to revise the tax, and it has now kept it because it has to save face. The idea of maintaining a tax to save face rather than withdrawing it altogether is not going to help the people of Ontario and it is not going to help those who have to pay taxes. It is not going to help those who need to use their cars for their employment. It is not going to help those who have to go to and from work using their automobiles because they work outside of the city and they need their automobiles.

My riding is a suburban riding in Metropolitan Toronto. My constituents need their cars. My constituents are teachers, nurses, people who work in small businesses, and not every business is within walking distance of their homes and not every business permits them to saunter out to the corner and get on the bus and get direct access to their work site. They need their cars. They have to go to work every day because they have to pay the taxes this government is levying. Now they find that when they go out to buy even the most basic forms of transportation, they have to pay an increased tax.

I neglected to talk about the city of Windsor. There is a city that I am actually very familiar with, having lived there for a short time.

Mr Huget: They celebrated when you left.

Mr Harnick: The witty comment from the member across the way is that they celebrated the day I left. They may have celebrated the day I left, but they are going to celebrate the day they throw the NDP out an awful lot more than they celebrated the day I left. All of those people are saying: "Bob Rae, this honest guy, was going to restore integrity to government. He was going to ensure that we had good jobs, secure jobs. He was going to get us more money. He was going to lower the taxes. He was going to solve the garbage crisis. There weren't going to be any more environmental problems. There were going to be hospital beds, and nurses were going to have big raises and doctors were going to have big raises, and there was going to be fair taxation in the education system."

All those people in Windsor believed all that stuff and they went down to the ballot box and voted for the NDP.

Mr Turnbull: On a point of order, Mr Speaker: I believe the member for Downsview is once again heckling and he is not in his place.

The Speaker: There were a number of interjections. I did not notice that the member for Downsview contributed to that. If indeed he wishes to participate, then of course he should find his rightful place in the chamber.

Mr Hope: On a point of order, Mr Speaker: I would not want to see the member for Downsview get in trouble, but there are some of us who are sitting in our appropriate seats making sure the member is putting clear information across. I would just like to make sure the member for

Downsview does not get in trouble, that some of us members are trying to make sure that the proper information is put across to the public.

The Speaker: That is certainly very helpful.

Mr Harnick: The member for St George-St David is back and wants me to start at the beginning again.

I was speaking about Windsor. Windsor is a border community. It is a border community that is becoming less competitive by the hour. It is becoming less competitive because this government keeps raising the taxes. It will not permit small businesses and merchants in Windsor to compete with businesses on the other side of the border. They pay lipservice to the problem of cross-border shopping. They permit Sunday shopping for three or four weeks a year, because you do not have to pause in December but you have to pause in the other 11 months. That does not make any sense to me.

At any rate, the city of Windsor is very much dependent on the automobile business primarily. The Chrysler car manufacturing company is located in the Windsor and, like all other car manufacturers, is having great difficulty. It is a company that has seen its share of the market very much diminished in the last few years, and the result of the diminution in the number of cars being sold by that manufacturer is that the city of Windsor is in a great deal of trouble. Because it is in a great deal of trouble, it needs a government to come along which recognizes the trouble it is in and it needs a government which is going to do something to stimulate the economy.

What has this government done to stimulate the economy in Windsor? They have raised the taxes on the price of automobiles. They have raised the taxes on the kind of automobiles that are built in Windsor, and those are automobiles geared to purchase by families who need jobs and who have no security because of what this government is doing. They have gone ahead and raised taxes so that the car market and car manufacturing in Windsor is dying. They have done absolutely nothing to stimulate the economy in that city. They have done absolutely nothing to help Chrysler in terms of being competitive. They can all sit there and shout across the floor, but not one of them can stand up and say that his or her government has done anything positive for the car manufacturing business in Windsor.

Taxes are now at an all-time high. Ontario is the most highly taxed jurisdiction in North America.

2310

There is an article that bears discussing in the Financial Post dated December 13, 1991. It says:

“Government should be helping small business climb out of the recession rather than holding them up for more taxes,” says Catherine Swift, vice-president and chief economist at the Canadian Federation of Independent Business. ‘At least government should stop making things worse for the business community with initiatives that retard investment and employment creation.’

“Taxation is the number one complaint voiced by the Canadian Federation of Independent Business’s 83,000 members, about half of whom are in Ontario.”

One can see that businesses are crying out for government, if it is not going to do anything positive, to just leave them alone. The government should not raise taxes any more, because every time it raises taxes, the viability of those businesses becomes less and less, and every time that happens, every worker who is employed at any of those businesses is in jeopardy.

Does the government we are watching today do anything about that? No. They sit here and laugh. They have no concern whatsoever. They sold a bill of goods to the people of this province in order to get elected and now they sit here and laugh, enjoying the perks of office, enjoying giving jobs to their relatives, enjoying putting money into their furnishings, enjoying giving out \$57,000-a-year jobs to people who are 22 years old, who have not graduated from anything other than a secondary school. What are they doing? They are ensuring that the Workers’ Compensation Board is providing jobs to the tune of \$57,000 a year. The government is \$10 billion in debt and climbing. What is it doing for the small businessman who would be lucky if he could take home \$57,000 a year after creating jobs for people? It is raising his taxes. That is what the government is doing for him.

What is the government doing to stimulate the economy? I have not seen anything.

Interjections.

Mr Harnick: I hear all the members over there who have yet to find their rightful seats shouting at me. The member for Yorkview, I believe, is the member who came in here the other day with his Workers’ Compensation Board amendments. All of a sudden, he was very concerned about workers’ compensation. Here they are giving away jobs at \$57,000. Workers are living off a meat chart and at the same time they are hiring children to work for \$57,000 a year. I bet there is not a single person on the government side of the House who started out in an employment capacity—

Mr Miclash: On a point of order, Mr Speaker: I would very much like Hansard to record the comments of people from across the House as they make comments, but for Hansard to record those they must be in their own seats. Mr Speaker, you have heard a good number of comments coming from across the House. I will not be able to find those comments because they are not in their own seats and Hansard cannot identify them. Would you please have them put themselves back in their own seats?

The Speaker: Would the member for Kenora take his seat, please.

Mr Miclash: The lady from Hansard is trying to record their comments—

The Speaker: I ask the member for Kenora to take his seat, please.

Interjection.

The Speaker: I ask the member for Kenora to take his seat immediately.

Interjection.

The Speaker: If the member for Kenora is a cause of disorder, he will be named.

Interjection.

The Speaker: The member for Kenora is being asked to take his seat. I am warning the member for Kenora that unless he comes to order, he will be named.

Interjections.

Mr Scott: Mr Speaker, if it makes you more comfortable, name me. I am used to it.

The Speaker: I appreciate the assistance of the member for St George-St David.

Interjections.

The Speaker: I ask the member for York Mills to take his seat. When the member for Kenora comes to order, I will then deal with the point of order which he raised.

Mr Miclash: I hope so. My God, why do we have to take this crap.

The Speaker: The member for Kenora has one last opportunity to come to order. If he refuses to do so, I will have no recourse but to name him.

It would be of great assistance to the House if, indeed, those members who feel compelled to make interjections, which I remind them are out of order, would occupy their rightful places in this chamber. Under those conditions—

Interjection.

2320

The Speaker: The member for Essex South, come to order.

I realize it is a difficult situation, but members are not assisting by making interjections when they are not in their rightful places. At the same time, it is not helpful if members contribute to the disorder. There are several members who are not currently occupying their rightful places. They can remain where they are now, provided that they do not contribute to the debate.

Interjection.

The Speaker: The member for Downsview.

Interjection.

The Speaker: The member for York Mills is asked to come to order. If we are to continue with the debate in this House, the House must come to order.

Mr Scott: Would you like me to go and talk to him, Mr Speaker?

The Speaker: The member for St George-St David could be of assistance.

Mr Scott: He has come to order now, Mr Speaker.

The Speaker: As you have been of such great assistance, I think we can continue. The member for Willowdale.

Mr Harnick: Just before the brief altercation we have just had, when all the NDP played musical chairs to go back and find their chairs, and they needed little maps to do it—

The Speaker: Perhaps the member could address his remarks to Bill 130.

Mr Harnick: Mr Speaker, I would only address my remarks to you, but it is very interesting. I received a note, I believe from the member for Downsview. Here we are in the middle of an important debate on taxes. I have to share

with the House the note I just got from the member for Downsview.

Mr White: On a point of order, Mr Speaker: You have directed the member to address his remarks to Bill 130. He is going to start to tell jokes now.

Interjections.

The Speaker: The member for Willowdale.

Mr Harnick: As I indicated, I believe we are in the midst of an important and serious debate dealing with Bill 130.

Interjections.

The Speaker: Order. The member for Willowdale will continue with his comments on Bill 130.

Mr Harnick: As I said, and I have tried a few times, we are engaged in what I believe to be an important debate on an issue that is costing everybody in this province money. It is costing them tax money they can ill afford to pay in this economy.

In this midst of what I believe to be an important debate, I get a note from the member for Downsview, and I want to share this with the House. It is a riddle. I hope, Mr Speaker, you can help me answer this riddle, because he did not give me the answer, he only gave me the question. "What do you get when you play a western song backwards?" Can somebody provide me with that answer, because here we are in the midst of an important debate, and what does the member for Downsview think about? He is thinking about a western song backwards.

Mr White: On a point of order: Again, Mr Speaker, I direct your attention to the fact that the member is telling jokes and riddles in the midst of an important debate. He is degrading again and again the quality of this discourse.

Interjections.

The Speaker: To the member for Durham Centre, it is indeed the practice in this chamber that during second reading debate a fair bit of latitude is allowed to the participant in the debate. Of course from time to time the participant must bring himself or herself back to the principle of the bill, but it is certainly a long-standing practice that members have the opportunity for a great deal of latitude to be allowed in the debate. The member for Willowdale has the floor.

Mr Harnick: As I say, in the midst of this very important debate, I get a note—

Interjection.

Mr Harnick: Now we have the one-term member from Durham Centre, I believe. He is another interesting member, a guy who got bounced as a committee Chairman because he had no ability whatsoever.

The Speaker: The member for Willowdale will please take his seat. It is certainly not helpful to the atmosphere in this chamber to make disparaging remarks about other members. I would ask the member to direct his comments to Bill 130.

Mr Harnick: I withdraw that. At any rate, in the midst of what I consider to be a very important debate my good friend the member for Downsview sends me a note:

"What do you get when you play a western song backwards?" I do not know what you get when you play a western song backwards. All I know is that the tax policies of this government are backwards and they are going to continue to be backwards until the government recognizes that people cannot pay any more taxes. That is what my constituents are telling me. I appreciate that the member for Downsview probably has a great sense of humour, but this is not a funny debate; this is not a joking matter.

Mr Perruzza: On a point of order, Mr Speaker: The note the member for Willowdale keeps referring to—

Interjections.

Mr Perruzza: Will you just give me a chance? The note I gave the member for Willowdale was meant to cause some reflection, because while he stands and talks at length people out there are losing their homes. The tax policies of his Conservative federal—

The Speaker: Would the member for Downsview take his seat. Far be it from me to decide what is humorous about a note and what is not. Would the member for Willowdale please direct his comments to Bill 130.

Mr Harnick: I am just a little bit miffed that in the midst of an important debate I am getting notes from the member for Downsview asking me what you get when you play a western song backwards. That is the level to which this government has sunk. They cannot debate their tax and fiscal policy, so they lash out at people, they make jokes, but they do not deal with the very grave consequences to the people of the province.

I would like to quote what the Oshawa Times said about the gas guzzler tax: "They couldn't get it right the first time, so they got it not quite so wrong the second time, and we're supposed to be happy about it. Ontario Treasurer Floyd Laughren took back a tax designed to discourage sales of Oshawa-built Buick Regals and Chevrolet Lumina and replaced it with a tax that will discourage sales of all domestically made cars and encourage sales of a few transplant models." That was an Oshawa newspaper, and that newspaper reflected exactly what the people of that city are thinking.

I might add that the member representing the Oshawa area is here tonight. I know he is concerned about this tax. He is one of the few members who has not shouted in derision at me for standing here trying to fight for the people of Ontario, trying to fight against improper taxes that are being levied against them, taxes that are nothing more than a tax grab by a government that cannot meet its obligations without gouging the people of the province.

The North Bay Nugget also talked about this tax. Obviously, people in northern Ontario are very much affected by increases in the price of cars. The North Bay Nugget said, "The only signal it sends is that the consumer will pay more for a new car," which I think is very important. That is one of the very clear signals it will send: The consumer will pay more for a new car.

It goes on to state: "It is another tax added with all the other taxes, and nothing more. At this rate, some day the taxes on a vehicle will be more than the cost of manufac-

turing it." Well, that really says it all from the people in North Bay.

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I might add that automobiles are very important to people in northern Ontario, because they do not have the TTC at the corner to take them wherever they want to go. They have to pay for automobiles, and those automobiles are exposed to the very toughest of climates, so those people have to go out and purchase vehicles with some regularity. Soon they are really going to need them, because every time they go to the doctor, they are going to have to do it somewhere south of Parry Sound and likely somewhere in the Toronto area. They are going to need their cars because at the rate this government is going, there will not be any doctors left in northern Ontario to look after people.

I do not have to talk about the attitude of this government towards doctors. I do not have to talk about the issue that has dominated this Legislature for almost two weeks now dealing with the comments of a minister who admittedly spread falsehoods about a doctor and besmirched his character.

The Speaker: Bill 130, to the member for Willowdale.

Mr Miclash: She lied.

Mr Harnick: I suppose I can bring myself to say it. She did lie, and she admitted it. That is the kind of thing this government is concerned about.

The Speaker: To the member for Willowdale, if he has more remarks to make on Bill 130, then of course he has the floor and can do so.

Mr Harnick: I indicated that people in northern Ontario need their cars, and they are going to need their cars to go to the doctor. They are going to have hundreds and hundreds of miles to travel, because they are not going to find any doctors much north of Huntsville. All the doctors are going to be in southern Ontario, except the ones who have gone to the United States.

The idea of seeing these people on the other side of the floor, the government, berating me tonight because I am standing here fighting for my constituents is part and parcel of what they have learned from their ministers, who berate everyone who does not agree with them. They go ahead and berate a doctor because that doctor is trying to make a living and serve his patients in northern Ontario, and they have a minister who goes out and lies and slanders the character of that doctor. That is the way this government defends and justifies its policies.

Not a single person in this government has stood on his feet for any of these tax bills and justified any of the new taxes being imposed in this budget, because they cannot; they cannot do it.

In the Hansard debates, a prominent member of this assembly, on December 7, 1988, made some very interesting comments about retail sales tax. This is what the member said, and he was referring now to the taxing policies of the Liberal government:

"How has this government been taxing? What is interesting about its approach is that it involves absolutely no significant reform of any kind directed at dealing with the major problems of our tax systems. The major problem in

our tax system is that working people, working families, ordinary folks, pay too much and those who are more well-off and wealthier pay too little."

Well, wealthy, well-off people are not going to be hurt by this tax. People who are hardworking individuals of modest means are the people who are going to be hurt by this tax. Farmers who live in rural communities and need cars and trucks in their everyday lives are going to be hurt by this.

I might add that the prominent member who made these comments was none other than the Premier. That was in the days when the Premier was the opposition leader and purported to really care for people. He was a caring and concerned individual in those days, but that was then. We do not have a Premier who fits that mold any longer.

I just want to return to the article I began quoting some time ago, talking about tax concerns being at an all-time high. The article began by saying, "'Governments should be helping small business climb out of the recession rather than holding them up for more taxes,' says Catherine Swift, vice-president and chief economist at the Canadian Federation of Independent Business."

I do not know of anything this government is doing to help small business out of this recession. The article states:

"'We have been polling members for 15 years, and concerns about tax are at an all-time high across Canada,' she says. 'Most worried are small businesses in Ontario who fear the ballooning provincial deficit will lead to higher taxes and policies that do not support investment and job creation.'"

That is in fact exactly what is happening at this very moment, because the high deficit is what is provoking these taxes, and they are not leading to any policies that are supporting investment and job creation. In fact, this government has not yet provided one single policy to support investment and job creation in this province. There is not a member of this government who can stand and point to a single policy that has been job-supporting and investment-creating. There is not a single policy they can point to. It is just the opposite. They are doing everything in their power to create a climate that is not going to be conducive to supporting investment and job creation. It is rather sad.

They go on in this article to say, "Payroll taxes, property taxes at the municipal level and other inflexible taxes are a particular problem, as they do not vary as income varies." Neither do increases in sales taxes, such as this tax that is before the House tonight. Those taxes do not vary according to income.

As I said earlier, the government is hurting those who can least afford these increased taxes. Those are the people who need the most modest means of transportation to get to and from their jobs, to look after their families, to take their children to school and pick them up after school and take them to various lessons and the family activities that people engage in. I feel very sorry for families of those means today, because this government is making their lives much worse and is not helping to ensure that the jobs those families have are stable, long-lasting, real jobs.

Mr Mammoliti: Yes, but what is the answer to the riddle?

Mr Harnick: The member for Yorkview wants to know what the answer is to the riddle. He is sitting right beside the person who is the author of the riddle, so maybe, rather than waste the time of this House, he can whisper in his ear and ask him what the answer is. Quite frankly, I say to the member for Yorkview, the people of Ontario could not give a damn what the answer is to the member for Downsview's riddle. They could not give a damn because they are worried about their jobs and the taxes the government is raising. They could not give a damn about the answer to his riddle. They would like to see him representing them.

Mr O'Connor: On a point of order, Mr Speaker: Many times in the course of the debate tonight, the member across the floor has talked about jokes and conversed across the floor and not talked on the bill. I would like him to get back to the bill. When he is finished, perhaps he will allow us the courtesy of debating it as well, because we really want to debate this openly and not have them monopolize all the time.

The Speaker: I get the impression that the member for Durham-York is waiting patiently for his turn in the debate, and indeed there are members who would like to participate. Currently, however, the member for Willowdale has the floor, and I know he is about to address more remarks to Bill 130.

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Mr Harnick: As I was saying, I do not believe the people in Ontario are particularly interested in the honourable member's riddle. I think they are more concerned about the taxes they have to pay, about their increased energy costs and—

An hon member: Then why do you keep bringing it up?

Mr Harnick: I did not bring it up; it was the member for Yorkview who brought it up. If people are concerned about the riddle that continues to be brought up, they might have a word with the member for Yorkview and tell him to keep his mouth shut and the riddle will not recur in the course of this debate any longer—although I have to admit that, deep down, I really would like to know the answer to that riddle.

Mr Miclash: Think about it.

Mr Harnick: I could think about it probably for the rest of my life, but my intellectual capacity is not quite as deep as the intellectual capacity of the people on the other side of the Legislature. I am sure they all know the answer to "What happens when you sing a western song backwards?" but I am not that philosophical a thinker.

Let's take a look at the general economic health of this province in October, November and December 1991. The government can retract taxes and it can help industry that is flagging. There are 135,000 fewer people employed in Ontario today than a year ago, and I think the government owes it to those people to at least appear to be concerned, to at least appear to be finding solutions to the problems. I do not think that raising taxes causes a lot of confidence in those people. It does not give those people who have lost

their jobs an awful lot to look forward to, because they are insecure. They do not have jobs that are long-lasting. They are looking for a day of work here and a day of work there, and the idea of raising taxes to further slow down the economy rather than stimulate it is not causing them any joy in terms of their futures.

The unemployment rate in Ontario has increased over the course of the past year to the point where we are close to 10%. I have not seen the government do a single, solitary thing to stimulate jobs and the creation of jobs in this province. They have not done a single thing, and the numbers keep going up. If the Treasurer were here, he would be blaming the federal government, but there is still an obligation on this government to be doing something to help the people in the province, and I do not see it at all.

There are now 50,000 fewer manufacturing jobs in Ontario—

Interjections.

Mr Harnick: Mr Speaker, they are expelling air from their bellies again. The members across the floor have nothing witty to say, so they expend air from their bellies. That is because they are not interested in the fact that there are 50,000 fewer manufacturing jobs in Ontario, 42,000 fewer construction jobs, 81,000 fewer trade jobs and 4,000 fewer agricultural jobs. That affects a whole group of people who, if they had jobs, might be going out to buy cars, but those people are not able to work. They do not have the money to spend—

Mr Klopp: Tell Brian about the 88-cent dollar.

Mr Harnick: There we go again, blaming the federal government. They can blame the federal government all they like, but that is not going to help anybody in Ontario.

Mr Klopp: That's right. We have to get rid of that government.

Mr Harnick: We have to get rid of this government, too, and pointing the finger at other people is not creating any constructive solutions for the people in Ontario. They elected the New Democratic Party to form a government and solve these problems. They did not elect this government to point the finger at everybody else. They did not elect this government to yell at me when I stand up to fight for my constituents about lower taxes, not more tax increases. They elected them to find solutions and they are obligated, because they are in that position of trust, to try to find those solutions, not to continue to blame everybody but themselves. It is cold comfort to the family that cannot afford a turkey dinner at this festive season to see the members of the NDP blaming everybody else for the problems and not doing anything to help; cold comfort indeed. I do not think this government's rhetoric and blaming everybody else is at all a constructive solution to the problems that face this province today.

Interjections.

The Speaker: Order.

Mr Harnick: Mr Wiseman has now come back.

The Speaker: Order. Would the member for Willowdale please take his seat. I would remind the member, and indeed all members in the House, that it would be

very helpful if we referred to one another by the name of the riding and not the name of the individual; the title "minister of," rather than using surnames.

Mr Harnick: I apologize for that. I notice that the member for Durham West is now back in the chamber. He is very agitated when we talk about taxes. I have not seen him stand in this chamber and I have not seen him—

Interjection.

The Speaker: Will the member for Durham West come to order.

Mr Harnick: I have not seen him fighting on behalf of his constituents to keep their taxes down and ensure that they have steady jobs, security and no tax increases. I have not seen the member for Durham West doing those things. The only thing I have heard the member for Durham West do in this chamber is deny the fact he is going to have a new dump site in his constituency some time between now and the next election. Accordingly, he will not be here after the next election.

Let's go back to taxes because that is really what this debate is all about. I know that talking about taxes is a very sore subject around the government because it likes to raise taxes and thinks that is going to be the instrument to stimulate the economy and create jobs. The government cannot extract money from people over and over again without people starting to hurt. The people in this province have now been hurting for five or six years. They come here and yell at me when I try to fight on behalf of my constituents, who do not want to pay any more taxes—they cannot. My constituents are paying for modest homes with property taxes in excess of \$2,000, some of them \$3,000 and \$4,000. I am not talking about people who live in mansions; I am talking about working people probably not a lot different than some of the members who sit across the floor. My constituents cannot afford to continue paying increased taxes. They just cannot do it.

The cavalier approach of this government and the uncaring way it perceives that taxpayers have to be treated just does not wash with the people in Willowdale. My constituents work hard. They are happy to pay their fair share of taxes, but you reach a point where it hurts. My constituents are hurting; they are hurting because this government is grabbing taxes indiscriminately because it is fighting to keep the deficit below \$10 billion.

But the government is not going to do it because it just cannot its own spending under control. They cannot keep their own spending under control but ask my constituents to pay more by way of this retail sales tax bill, to pay more for their electricity costs and their energy costs, to pay more for gasoline at the pumps. That is something my constituents cannot live with. They cannot live with the fact that civil servants in this province received raises of in excess of 14.5% when other people trying to run small businesses or employees of small business were losing their jobs or where businesses were going bankrupt. They cannot accept and they cannot understand why the cost of living in Metropolitan Toronto is becoming so excessive.

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They can no longer afford to pay the taxes this government continues to levy upon them. They cannot pay any more. The members may not care about that. They may not care about it for their constituents, but I care about it for my constituents. My constituents pay their fair share and they are proud to do it, but they cannot pay any more. I think the investment climate they have created in this province is the death knell for my constituents. My constituents can see the handwriting on the wall.

I am going back to the article about small business in the Financial Post of December 13, 1991. It states, "Proposed changes in Ontario labour law were dubbed by the Canadian Federation of Independent Business the Union Leader's Welfare Act." Can you imagine that, the union leader's welfare act? "The New Democratic government is expected to tilt the new legislation in favour of labour and give unions incredible power to interfere with the operation of business. The government has issued a discussion paper and will hold hearings from January 8."

The very idea of legislating not to create a level playing field but to create an imbalance, the very idea of creating an imbalance and a climate that necessitates the government continuing to raise taxes to meet its obligations because it is creating a climate in which private industry can no longer create and generate the amount of wealth necessary is absolutely incredible. Every person in this province should be, and will be, appalled to see a government trying to take a process, which is an adversarial process at times between unions and labour, and deliberately, unashamedly saying it wants to create an imbalance.

That is absolutely, positively shameful. The fact that it is being done at a time when my constituents are having trouble meeting their obligations, when they are worried about their jobs, that the government is going to go ahead and deliberately create this imbalance which is going to cause a worsening of the investment climate in this province is absolutely shameful. I have grave concerns about that piece of legislation.

I notice, Mr Speaker, that you keep holding up Bill 130 to remind me that is what I should be talking about. I cannot separate those two issues, because the imposition of taxes and the increase in taxes, particularly of retail sales tax, becomes necessary when a government creates a climate in which it is impossible for the private sector to create the necessary wealth to generate the income a government needs to carry on. I appreciate, Mr Speaker, your concern that I stay on the bill but I have a great deal of trouble separating those two things.

I have the Hansard from November 24, 1988. Some comments about retail sales tax were made by the person who is now our very own Treasurer, described in this book as just plain Mr Laughren. He said:

"If I could quote from the present Premier"—that would be Mr Peterson—"who was then not the Premier but leader of his party, he said in 1982: 'What we saw in that budget was a change in the philosophy of taxation. We saw a move away from the progressive system which we, as Liberals, believe in passionately, taxation that is based on the ability to pay, and saw a major move toward flat consumption and regressive taxes. We saw a shift on to the poor, the lower-income families who have less capacity to deal with these taxes than people at higher income scales. As a party we chose, as a rather dramatic signal of our displeasure, not to show up to vote for a couple of days.'

"That was in opposition to increased sales taxes"—this is the Premier, meaning David Peterson, and these are the words of Floyd Laughren criticizing him—"and now we have the Premier putting his stamp of approval on this sales tax increase. I suppose nobody has ever accused a Liberal of consistency, and certainly this government is no different, no different at all."

He goes on to say:

"I see some of my learned friends here who will appreciate a quote from John Stuart Mill this afternoon. He said a very pithy thing"—if the members are making fun of it, these are the words of their Treasurer. If they object to the word "pithy," if it is a little above them, they can take that up with the Treasurer at their next caucus meeting if he has time for them.

"He said a very pithy thing. He said: 'Equality in taxation means equality of sacrifice.' If you think of what that means, then surely you will conclude that this sales tax bill is not worthy of your support, because nobody ever pretended that sales tax means equality of sacrifice. It definitely does not. If you believe in the progressive tax system and equality of sacrifice, then you cannot support a retail sales tax."

That was the now Treasurer speaking and he is the very person who introduced the tax now before us. I do not understand why I have stood here for probably close to three and a half hours and been derided. I have had members on the other side swear at me and all I have been doing is fighting for my constituents.

The Speaker: Would the member for Willowdale take his seat. Perhaps this would be an appropriate moment for him to pause in his remarks. It being nearly 12 o'clock, this House stands adjourned.

The House adjourned at 2359.

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ISSN 1180-2987

Legislative Assembly of Ontario

First Session, 35th Parliament

Assemblée législative de l'Ontario

Première session, 35^e législature

Official Report of Debates (Hansard)

Wednesday 18 December 1991

Journal des débats (Hansard)

Le mercredi 18 décembre 1991

Speaker
Honourable David Warner

Clerk
Claude L. DesRosiers

Président
L'honorable David Warner

Greffier
Claude L. DesRosiers



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LEGISLATIVE ASSEMBLY OF ONTARIO

Wednesday 18 December 1991

The House met at 1330.

Prayers.

MEMBERS' STATEMENTS

SERVICES FOR THE HEARING-IMPAIRED

Mr Curling: I want to speak briefly today about the need for a regional resource centre for the deaf and hard of hearing of northeastern Ontario.

Presently, travel distances for clients of the Canadian Hearing Society in northeastern Ontario can be as much as 800 kilometres, and travel to the society's facilities in Sudbury can take as long as 12 hours in inclement weather. These distances make it very difficult, and sometimes impossible, for the deaf and hard of hearing to access programs and services which may require training periods of up to 12 weeks.

A regional resource centre, with space for short-term residency, would help fill the enormous service gap for the deaf and hard of hearing that exists in northeastern Ontario.

I would like also to take a moment to commend Doris Schwar, Ruth Fulks, Mr Bill Ross, Mr Graydon and Lions International for their work and support of this project proposal.

The Canadian Hearing Society's northeastern life skills and literacy program also deserves special mention. The program provides deaf and hard-of-hearing adults with an opportunity to master American sign language, learn literacy and numeracy skills and interact with both deaf and hearing communities.

These are valuable services; a regional resource centre would ensure that they would be available to all who required them throughout northeastern Ontario. They deserve the full support of the government.

Mr Hugh Doig from Sudbury is also here in the west gallery. I would like to thank members very much.

LABOUR LEGISLATION

Mr Arnott: I am rising today to express my profound, in fact grave, concern about the government's radical proposal to amend the Ontario Labour Relations Act. The Minister of Labour's discussion paper on proposed labour law amendments means that the worst nightmare of every small business person has come true. The NDP government wants to make it easy for unions to gain a foothold in the workplace of every business, large and small, and once there, to give them the power to dictate the terms of surrender.

These proposals are unacceptable to the people of my riding. Never before in the history of Ontario has a government been so blatantly antibusiness, so callous and contemptuous in its disregard of the need for ongoing job creation and so blind to the threatening spectre of militant trade unionism. In Wellington county small business people, many of whom work 60 to 80 hours per week, risk their capital. The visionaries, the entrepreneurs, people

who strive for excellence, people who create the jobs we need—the business people of Wellington—feel besieged by this government.

This government is proceeding with this initiative at the worst possible time in the economic cycle. When business people are looking for a positive expression from this government, any positive expression of confidence in the future, when they are looking for a lifeline, they are being thrown an anvil. The Minister of Labour should announce today that he is shelving his proposed reform of the Ontario Labour Relations Act and extend business people that lifeline.

GOVERNMENT'S RECORD

Mr Johnson: At this time of the year, we as individuals stop to reflect on our past accomplishments, and certainly this government in the province of Ontario is stopping to reflect on its past accomplishments this year. I am very proud to be a part of this government.

Ontario is in the worst recession it has seen in 60 years. This is not the fault of the present government, but it is a situation this government has had to deal with. It has had to make some very serious and difficult decisions. These decisions have made sure that the people in Ontario, those who are most vulnerable, will not suffer through this very difficult time.

These decisions are the sorts of decisions I am not certain other governments would have made. Certainly neither the Tories nor the Liberals have had to govern in a time as difficult as the time we find ourselves in right now. I think this government has managed very well. It has done some things that other governments, I have no doubt, would not have done. As I said earlier, people are not suffering as a result of the very serious and important decisions this government has had to make.

It is true we find ourselves in a deficit situation, but that situation is indeed necessary to ensure that this government survives this difficult recession. We have next year to look forward to. At this point I would just like to say merry Christmas to all those people in the province of Ontario.

FAIR TAX COMMISSION

Mrs Y. O'Neill: I have examined with great interest the document entitled Community Education and Consultation Program from the Fair Tax Commission. This NDP government speaks of "distortions" in the knowledge of Ontarians and of need to "avoid working from incorrect assumptions." These words and the words that follow are very confusing. They are judgemental and perhaps worrisome. New spin words such as "developmental strategies, animator teams, role-playing, public education methodologies, trickle-up effects, democratization of information, consultative relationships, animation projects, the recruitment of community leadership, participatory research, targeted constituencies, animator coaching"—I could go on

and on. This is all to be tied together by electronic mail, file transferring and conferencing, the cost of which will be staggering.

The people of Ontario to this point have been led to believe the tax commissioners and work groups were chosen specifically because they represent a broad cross-section of Ontarians. May I ask, does the NDP government plan to use this new group of animators to shape and direct the activities of what has been described to this point to the Ontario public as a non-political body charged with reviewing a most vital part of democratic society, the right of a government to tax its citizens? Judgement on this matter, Mr Speaker, I leave to you and to the people of Ontario.

1340

ZEBRA MUSSELS

Mr McLean: My statement is for the Minister of Natural Resources. The minister is no doubt aware of recent reports that zebra mussels have found their way into Ontario's inland waterways and now pose a threat to a substantial number of water treatment plant intake pipes, public swimming beaches, navigational buoys, fishing nets, boat hulls and hydro plant pipes, to name but a few of the areas.

In April 1991 the standing committee on resources development released its Report on Exotic Species in Ontario. This report contained 30 recommendations, including: MNR to implement measures to prevent the spread of zebra mussels from live bait collection, sale and use; MNR inspection of boats entering Ontario to ensure zebra mussels are not being transferred in live bait wells; MNR to work closely with boating and marina industries to ensure facilities and services are in place to reduce the risks of transferring zebra mussels; provincial government ministries to install signs at boat ramps explaining measures boaters can take to reduce the spread of zebra mussels.

It is my understanding that the minister has not implemented any of these recommendations. I would suggest that if he had acted on the resources development committee report, we would not have zebra mussels threatening to destroy Ontario's entire inland water system. Because of the minister's inaction, the people of Ontario have mussels in places they have never seen.

CONSTITUENCY OFFICE STAFF

Mr Fletcher: It is a pleasure for me to rise today and talk about the people who work with me in my constituency office: Heather Johnston, Susan Neath and Mary Westley.

Heather and her husband operate a farm outside the city of Guelph. She puts in a lot of time working in my office, and also working on the farm. Susan Neath, who also works in my office in Guelph, is a very dedicated worker. She has worked with small business many times and is married to a representative from the United Food and Commercial Workers Union. Mary Westley, a single parent, works in my office and takes care of her 17-year-old son, and has dedicated so much time to the office and to the people of Guelph.

Peter Cameron works with me in Toronto. He is an activist and was also a member of the Ontario Public Interest Research Group at one time and is a very good friend of Mr Ralph Nader. Virginia Wilson is an ex-reporter with the Daily Mercury in Guelph and has dedicated more time than I can ever say.

I cannot do the work I am supposed to do without these people. Without their effort and dedication I would be nothing as far as the people of Guelph are concerned. They service not only the community of Guelph but parts of the ministry I am connected with.

I wish them all a very merry Christmas and a very good new year. As I said, without them I would be nowhere.

PAY EQUITY

Ms Poole: Today marks the first anniversary since the Minister of Labour made his big, splashy announcement about the NDP's plans for pay equity.

One year ago today, on December 18, the government announced its intention to extend pay equity to 420,000 women who had not previously benefited from pay equity.

At the time of the announcement the Minister of Labour said, "There will probably be legislation in the spring." He was not too sure of what was happening, but that was the general direction. The spring came and went, and there was no legislation. There was no direction and no new policy announcement. The fall came and went, and today it has been one full year since he made that promise.

Part of the problem was that the Premier himself seemed to be quite confused. He did not seem to understand that his government had not done what it said it was going to do. The Premier's own newsletter misled people by claiming that pay equity benefits had already been extended to the 420,000 women. The provincial secretary of the NDP sent a letter to thousands of people which mistakenly claimed the NDP had implemented pay equity.

Let's be perfectly clear. It has been one year, and for one year there was no action. I would like today to send this candle over to the Premier to mark the first anniversary and say it is about time his government acted on pay equity.

HOME SHARING

Mr Jackson: Almost a year ago, I stood in this House to ask the Minister of Housing to confirm that he was going to continue to fund home sharing programs in Ontario. Many months went by before the money was finally allocated, but for a one-year term only.

Home sharing helps reduce the social isolation that seniors experience living at home, while providing safe, affordable housing alternatives through intensifying existing housing stock. Having started as a pilot project in 1985, the programs link those needing accommodation with participating individuals with extra space in their own homes. Local home sharing agencies co-ordinate meetings and provide follow-up counselling services. These agencies have to date assisted more than 4,000 households to find new and affordable accommodation.

The recent consultation paper entitled *The Redirection of Long-Term Care and Support Services in Ontario* stated

this government's intention to direct resources towards those services which assist the elderly and the physically challenged to live independently and with dignity. Yet home sharing agencies have now been told by the NDP Ministry of Housing that there are no guarantees their programs shall continue to receive further funding.

The NPD public relations road is paved with good intentions. I call on the Housing minister to act on her government's intentions and continue to maintain funding for home sharing programs to prevent the elderly and physically challenged in Ontario from having to experience the personal ordeal of being unable to live dignified and independent lives in our society.

BOB SUGDEN

Mr Christopherson: It is with great pleasure that I rise in the House today to offer my congratulations to the newly elected president of the Society of Directors of Municipal Recreation of Ontario, Mr Bob Sugden. Mr Sugden is the first Hamiltonian to serve in this distinguished position.

The Society of Directors of Municipal Recreation of Ontario represents municipal recreationists in Ontario, with a goal to promote, enhance and facilitate recreation as an essential service. On November 9, 1991, the society adopted an action agenda that will improve the quality of life in our municipalities.

The Society of Directors of Municipal Recreation of Ontario is committed to (1) community greening and enhancing natural environments, (2) active living and wellness to combat rising health costs, (3) combating the loneliness felt by older citizens and cultural diversity, (4) building strong families affected by the economic necessity of both parents working and by being single-parent families and (5) beating alienation and delinquency of youth in our cities.

The society is striving to set up an office this year with both public and private sector support. Our Minister of Tourism and Recreation has spoken to Mr Sugden and has indicated a strong willingness to work with the society.

On a personal note, I have had the pleasure of working with Bob for five years, and I am confident he will serve the Society of Directors of Municipal Recreation of Ontario with distinction.

I invite all members of this House to join me in wishing Mr Sugden and the Society of Directors of Municipal Recreation of Ontario success in achieving their important objectives, which will benefit all citizens in Ontario.

STATEMENTS BY THE MINISTRY

MEETING ON THE ECONOMY RÉUNION SUR L'ÉCONOMIE

Hon Mr Rae: Members of this Legislature and the people of Ontario are painfully aware that Canada has in this year experienced the effects of a devastating recession and its accompanying unemployment, bankruptcies and dislocation. The country is still in an economic deep freeze. Every one of us here is personally familiar with the effect on families, neighbours and friends. Ontario has been especially hard hit; 80% of the jobs lost in this country

in this recession have been lost in Ontario. The consequences will be with us for some time, even when the economy starts to recover.

Many of the problems we are facing are larger than the capacity of any individual government to address. There is a clear need for leaders to search for common ground and work towards recovery and reconstruction.

Since early in our mandate, I have been calling on the Prime Minister to convene a first ministers' conference on the economy precisely for the purpose of finding remedies and solutions to these economic challenges. Members will be aware that tomorrow, the premiers and leaders of the territories are assembling in Ottawa for a luncheon meeting with the Prime Minister to begin the process of putting Canadians back to work.

I want to share with the members of this Legislature today my views of what we should try to achieve at tomorrow's meeting.

Tout d'abord, nous devons concentrer nos efforts pour en arriver à une entente sur certaines initiatives spécifiques et immédiates visant à créer des emplois. Nous devons faire tout en notre possible pour que les Canadiens et les Ontariens réintègrent le marché du travail. J'ai discuté avec certains premiers ministres et je crois qu'il est juste de dire qu'ils partagent cette opinion et cet objectif. Ensemble, nous proposerons un certain nombre d'idées à la réunion.

1350

I want to say a few words about one of the short-term proposals that this government will make tomorrow. I have already said we believe we must put in place measures that get people back to work. I will be sharing with the premiers and the Prime Minister a proposal to allow Canadians to withdraw part of their RRSP funds, without paying income tax, for home renovation or for a down payment on a home.

If we can agree to implement this proposal quickly, it will have early, positive impacts on important industries in this province and across the country. Both the Canadian Real Estate Association and construction unions have called for a similar use of RRSP funds to provide immediate economic stimulation.

It is an initiative that would create employment. With about \$100 billion in RRSP funds in Canada, even a small infusion of these savings in construction and home improvement would create tens of thousands of jobs.

Other proposals, on capital works, on infrastructure, on getting people off welfare and back into the workforce and on the need for an industrial strategy, will be made as well. We want to encourage a serious discussion of practical steps we can take to make the economy as strong as it can be.

As much as I hope for some progress tomorrow on specific initiatives, it is not simply enough for a dozen elected leaders to get together for a Christmas lunch. There are major economic issues that cannot be addressed at one short meeting. Ontario continues to call for a full-fledged first ministers' conference on the economy to be held early in the new year. Many other governments share this objective. We will be pressing hard tomorrow to persuade the Prime Minister to agree.

In closing, I would like to assure members of the House and the people of Ontario that I will be doing everything I can to achieve a positive and constructive outcome tomorrow. I will want to reiterate that a full-fledged first ministers' conference on the economy must be held early next year.

I regret that Premier Bourassa will not be attending tomorrow's meeting. I will continue to encourage him to attend future meetings. The economic issues that the country must resolve require the participation of all premiers and the support of all the people of Canada.

This is only a first step. I hope the Prime Minister shares my view and that of the other premiers about the importance of demonstrating the collective determination of this country's political leaders to manage and improve the economy for the benefit of all Canadians.

PAY EQUITY

Hon Mr Mackenzie: I have the honour, together with my colleague the Chairman of Management Board, of introducing amendments to the Pay Equity Act of 1987. By doing so, this government is fulfilling its strong commitment to correct the historic and systemic undervaluation of women's work.

These amendments will introduce new methods of comparison not possible under the current act and will clarify current provisions. They will extend the coverage of the act to well over 420,000 women not currently served by the legislation.

The Pay Equity Act has changed Ontario's workplace culture by legislating against the long-standing wage discrimination experienced by women workers. Members know that the Pay Equity Act has worked remarkably well for working women. Considerable success has been achieved under the act by means of the job-to-job comparison method of implementing wage equity.

Last year I announced that the government would consult on the content of these amendments. Over the past year we have met with many groups to refine the government's approach to pay equity. We recognized that other methods can and should be used for attaining pay equity in situations where job-to-job comparisons cannot be made, such as in all-female or female-predominant workplaces.

Therefore, the first amendment I am presenting today frames in law the proportional value comparison method. Proportional value comparisons, like all other pay equity comparisons, must be based on evaluating a composite of skills, effort, responsibility and working conditions. The proportional value method permits comparisons of the relative worth to an employer of female and male job classes in situations where job-to-job comparisons are difficult.

There are many ways of making proportional value comparisons. Large employers may want to use what is known as the wage-line method, while smaller employers can use simpler methods. Whatever method is chosen, the bottom line is that proportional value comparisons must achieve a fair assignment of wages in proportion to the

value of work performed by female and male job classes in an employer's establishment.

My officials have estimated that more than 340,000 women will be able to attain pay equity through the use of proportional value comparisons. Most of these women are employed in the private sector. With the enactment of this amendment, and other measures to be announced today, 1.05 million working women will be entitled to benefit from the Pay Equity Act.

The other amendments I will introduce today are of an administrative nature, to refine measures in the original act.

The most important of these will protect pay equity plans when companies are sold, transferred or restructured. Simply put, the purchaser of a business also acquires an existing pay equity plan. This measure ensures that women will not see their pay equity rights vanish or diminish because of workplace transformations over which they have no control.

Another new measure strengthens the role of review officers who investigate complaints under the act. Review officers will now be able to issue corrective orders on a broader range of matters. These new powers respond to needs that only became evident after the act had operated for several years.

Another administrative measure obliges private sector employers to post a sign informing workers of their rights under the act and where they can go for advice or assistance if they feel they are not being respected.

No doubt there will be those who say that these difficult economic times are not the time to extend pay equity. Let me respond in two ways.

First, these amendments will not increase the current obligation of employers to devote at least 1% of their previous year's payroll to pay equity adjustments. Many employers, recognizing that some of their women employees would not be covered under the existing act, have clearly accepted and voluntarily added proportional value comparisons to their pay equity plans. We applaud their efforts.

Second, this government has resolved to right the historic undervaluing and undercompensation of work performed by women. The government upholds fairness for women as a right and not a luxury. This is especially important today because recessions hit the lowest-paid workers the hardest.

The amendments I am presenting are only part of today's good news for Ontario's working women. My colleague the Chairman of Management Board has much to add concerning this government's commitment to pay equity for workers in the public sector and broader public sector.

This government has pioneered in this fundamentally important area of social policy. Our progress is unmatched elsewhere. I believe history will record the achievement of pay equity as a landmark accomplishment by this government. It is an accomplishment that will have enormous positive impact on succeeding generations of working women in this province. We are ensuring that as many working women as possible are

able to benefit through the amendments being introduced here today.

1400

Hon Mr Silipo: I am proud to join my colleague the Minister of Labour in announcing amendments that will extend pay equity to hundreds of thousands of Ontario women whose work continues to be undervalued and underpaid. I also note the work done on this issue in preparing these amendments by our colleague the minister responsible for women's issues.

The current Pay Equity Act allows for job-to-job comparisons, which will be enhanced by proportional value comparison methods, as outlined by the Minister of Labour. But these two measures will leave some 70,000 to 80,000 women who are in workplaces who do not have male job classes that can be used for pay equity comparisons. They are among the lowest paid workers in our society, because work done by women has traditionally been undervalued and underpaid.

Our government made a commitment to the people of Ontario to right this historic wrong. Today, we are meeting that commitment.

The Minister of Labour has told you about the proportional value comparison method, which will affect many women both in the public and private sectors. I want to tell you about the proxy comparison method and how it will affect women, who are among the lowest paid workers in Ontario's public sector.

Proxy comparisons will be used by broader public sector organizations that cannot use job-to-job or proportional value comparisons because of a lack of male job classes. In the proxy comparison method, female jobs in a female dominant workplace are compared to male jobs in another organization that provides a similar range of services. Regulations on methods for proxy comparisons will be developed in the next several months.

Organizations that need to use the proxy method are generally those that provide health and community services, including home care agencies, some libraries, rape crisis centres, child care centres, shelters for battered women and nursing homes, among others. Many women working in these organizations are not able to use the job-to-job or proportional value comparison methods to achieve pay equity because of the absence of male job classes at their workplaces.

We recognized in last spring's budget that these publicly funded organizations will require assistance to meet their pay equity commitments. My colleague the Treasurer will announce in the near future details on funding that will begin to close the wage gap between male and female broader public sector workers. The funding will be based on a commitment to pay 100% of the cost of proxy for non-profit broader public sector employers.

Resolving pay equity concerns through the amendments we are proposing should ease other pressures on government, which I will now address.

We will be introducing amendments to the Pay Equity Act, the Public Service Act and the Crown Employees Collective Bargaining Act. These amendments will enhance

the Ontario government's ability to manage the size of its workforce. Decisions by the Pay Equity Hearings Tribunal and the Ontario Public Service Labour Relations Tribunal have created the potential for large numbers of workers in the broader public sector to become employees of the Ontario public service.

In many situations where no male comparators exist, pay equity office review officers and the Pay Equity Hearings Tribunal have found that a larger organization is the employer for pay equity purposes. In some cases, review offices have found the province to be the employer.

Another means of naming the province as the employer is through the Crown Employees Collective Bargaining Act. This act allows the Public Service Labour Relations Tribunal to decide if individuals are crown employees, which gives them the right to bargain collectively with the crown. The tribunal has also claimed the right to decide whether crown employees are also public servants. This is possible because nowhere in the Public Service Act does it say that appointment to the Ontario public service is solely the right of the government.

The introduction of legislation to implement proportional value and proxy pay equity methods that allow women to find male comparators for their jobs resolves the need for government-as-employer litigation as a means of achieving pay equity.

These amendments will also place an important responsibility, the ability to determine the size of the public service, in the hands of government. The amendments will allow us to manage the size of the public service therefore.

In closing, I am truly honoured to join my colleague the Minister of Labour, and as I indicated my colleague the minister responsible for women's issues, in introducing amendments that fulfil this government's commitment to giving Ontario's working women the justice they so richly deserve.

RESPONSES

MEETING ON THE ECONOMY

Mr Conway: On behalf of the Liberal opposition, I would like to briefly respond to the first minister's statement regarding tomorrow's meeting in Ottawa. We certainly all want to wish the member for York South our very best wishes as he goes to dine with Brian Mulroney and others in the national capital.

I must say I have listened for some months now to the very strident tones of the leader of the New Democratic government in Ontario about what needed to be done, saying he was quite prepared to lead the march on Ottawa because of course the economy was in a bad way and a very substantive adjustment was required. So it was with some anticipation that I came today to hear what specific agenda, indeed perhaps even an agenda for the people of Ontario and for Canada, the leader of the NDP government in Ontario might be taking to lunch and tea with Brian Mulroney.

But what do we have? By all accounts and on the account of the NDP in Ontario, it is going to be very thin

gruel tomorrow in Ottawa, because after 14 months, we do not have any of the Agenda for People, and it is replete with specifics about the New Democratic socialist order, but we have merely a proposal from Mr Rae and the NDP in Ontario, a proposal that has been made in several other places across the country, that the federal government ought to take its money and through a change in the RRSP arrangements provide an opportunity for Canadians to apply those funds for home building and home renovations.

Mr Stockwell: Earth-shattering.

Mr Conway: As my friend the member for Etobicoke West says, that is really something less than earth-shattering. That suggestion has been made by a whole host of other people. I ask my friend the leader of the NDP, surely there is more, because if one looks at this proposal, not only is it not his own but it really involves spending overwhelmingly federal dollars. I would have thought the Ontario NDP had some specific proposals of its own, committing itself to domestic initiatives in Ontario, but we have nothing but this suggestion that Ottawa ought to amend its income tax policy to the benefit of the provinces from sea to sea.

I suppose we ought not to be surprised that in the democratic socialist world in which we now find ourselves, sharing is really a matter of the Premier wanting to share his thirst with Brian Mulroney's beer.

That is clever and quite ingenious, but I think the people of York South and Renfrew North and 128 other electoral districts had expected some initiative, some leadership, some specific made-in-Ontario, made-for-Ontario commitments to get this economy moving again. They would have expected that a government so prepared to abandon its pension policy of the past, a government so willing to abandon its auto insurance policy, a government prepared to abandon so much of what it stood for in the past, would as part of this new day have something specific and helpful to take to tea at 24 Sussex Drive. As Joe Clark might ask rhetorically, "Is this the totality of your commitment?" If it is, the people of Ontario have been bamboozled by our Oxfordian friend.

PAY EQUITY

Mr Offer: I would like to respond to the statement of the Minister of Labour. It was just one year ago today that the government said it was going to extend pay equity. A year has passed without any action whatsoever and there is a statement today without any chance of legislation being passed into law this year.

But this comes as really no surprise to this side of the House. We have a householder by the Premier, who stated months earlier that they have extended pay equity to cover 420,000 women who work in jobs that have not yet been covered. We have a letter from the provincial secretary of the NDP government, Jill Marzetti, who has stated that the NDP government has extended pay equity. Their statements are still wrong. They are just statements. The statement today by the Minister of Labour still does not carry legislation this year. What we are looking for is real action. The government should get on with the job and introduce some legislation. Let's see it become law this year.

1410

MEETING ON THE ECONOMY

Mr Harris: I too wish to respond to the Premier's statement. I too wish to wish the Premier well on behalf of all Canadians as he heads off to Ottawa tomorrow. Let me also say that I agree entirely with the comments made by the member for Renfrew North and let me add a few of my own. After a year of calling for a first ministers conference, after 20 years of having all the answers and after the Agenda for People, that one specific proposal, the changes to the RRSP legislation—which, I want to be clear, I am not opposed to—as the member for Renfrew North has pointed out has already been made by all three parties in Ottawa and by the Minister of Finance.

Earlier today, I understand Mr McKenna came up with two. The Premier agrees with Mr McKenna's incentive for new home buyers. I do not know if the Premier will agree as well with Mr McKenna's impassioned plea, his number two item, for a balanced budget. We will see how that discussion goes at 24 Sussex tomorrow as they have lunch.

What really bothers me, and I think what bothers most objective observers of this government, is that it has spent all its money—it is all gone—and then some, and now it is suggesting the solution is to kickstart the home industry after it brought in retroactive rent control legislation that threw thousands of construction workers out of work, and after it took a 180-degree turn and broke its word on the Development Charges Act, which can add up to \$20,000 to the price of a home. They are now asking the federal government, which has no money, as they know, to defer future income to help overcome the increased costs of housing that their policies have brought in. Does the Premier think the 200,000 or so workers who have been laid off in the manufacturing sector are going to want to buy a home in Ontario, regardless of whether or not they have RRSPs?

I think of other legislation the government has brought forward that is forcing people out of work, other legislation and directions it has taken which, as I have said many times, are 180 degrees in the wrong direction and that are causing problems, loss of confidence, loss of jobs and loss of any buyers for homes, who want to buy in Ontario but who do not want to be locked into Ontario because they do not see a bright future as long as this government's policies are being put forward.

On top of that, the government's policies are increasing substantially the cost of housing in this province, whether it is the labour proposals, the Development Charges Act or some of the other items it is bringing forward. Yes, this proposal that the federal government wants to do anyway will help overcome some but not all of the increased costs of housing this government has forced on the people who want to buy a home in this province.

Finally, because other members of my caucus wish to respond, I want to say this: I do congratulate the Premier for overriding the Minister of Housing. In response to question after question from the member for Mississauga South—she has to represent all of Mississauga, I know that, but her riding is Mississauga South—about whether housing and construction jobs and home ownership were a

priority, the minister said, "No, not a priority for me, not a priority for my government, not at all, not at all." I congratulate the Premier for at least overriding his own government's policy and going to Brian Mulroney and asking him to help compensate for the disgraceful policies of his own government here in Ontario.

PAY EQUITY

Mrs Witmer: I question this government's sincerity to equality for women. First of all, I am extremely offended when it refers to "working women." I would like the government to know that all women in this province work, whether it is inside the home or outside the home. If the government really wants to eliminate discrimination, I think the terminology needs to be changed immediately.

I would also like to draw attention to the fact that they talk about redressing the wage discrimination faced by working women. I know that what is meant here are women who work outside the home. I would like to indicate to them that they still discriminates against women because they have not redressed the discrimination that is faced by the workers in the private day care sector.

JOEY SMALLWOOD

Hon Mr Rae: Mr Speaker, I think there is unanimous consent for the three parties to express their condolences on the passing of Joey Smallwood, the former Premier of Newfoundland.

The Speaker: Do we have unanimous consent?

Agreed to.

Hon Mr Rae: Mr Speaker, I know there are not too many occasions when I can safely say that I think I speak for all members of the House. Perhaps this is one, not that I want to preclude other members from speaking on this occasion.

We all woke up this morning to the news of the passing of a remarkable Canadian, the last living Father of Confederation, and it is perhaps only fitting and appropriate that we take a few moments to reflect on his remarkable contribution to the life of his native Newfoundland and to the life of Canada.

Joey Smallwood was a truly remarkable Canadian, someone whose wit, love of life, imagination, drive and sheer ability inspired the citizens of his own province of Newfoundland and came to inspire Canadians from coast to coast. Joey, as he is known now and will be known for all time, was someone who left school as a teenager, became a journalist, a labour organizer, a political organizer and the leader of his political movement in Newfoundland, someone who led the fight for Newfoundland's entry into Confederation—a fight which was very closely and hotly contested in Newfoundland in the post-Second World War era—and who became the first Premier of Newfoundland and then went on to serve as Premier for a great many years.

His life was marked always by controversy. He certainly was not one who resisted a fight. His life was one that was marked by deep commitment, by great and good humour, and by his passion not only for Newfoundland but for Canada.

I never had the opportunity to meet Joey Smallwood, but like thousands of my generation, I knew him from the benefit of television, heard him speak and have had occasion to speak with many who knew him and served with him in public life. Joey Smallwood of course is seen by the people of Newfoundland first and foremost as a Newfoundlander, but I want them to know that we in Ontario see him as a great Newfoundlander and as a great Canadian as well.

On this occasion, at this moment in our history, it is perhaps important that we reflect on the fact that someone like Joey Smallwood can start out in life with a vision and with a dream, can carry that through with the kind of commitment, the kind of courage, the kind of gusto that he had, and that his inspiration is one that came not only to Newfoundlanders but to all Canadians.

On behalf of the government of Ontario and on behalf of the citizens of Ontario, I want to convey to the government and the citizens of Newfoundland, and to the Smallwood family, our deepest condolences on the passing of Joey Smallwood, and at the same time say that at age 90, this is a moment not only of mourning but of celebration, a celebration of a truly remarkable life.

Monsieur le Président, c'est une occasion, naturellement, pour le souvenir, pour la commémoration d'une vie absolument remarquable. C'est une perte non seulement pour la population de Terre-Neuve mais pour tout le Canada. En même temps, nous célébrons cette vie remarquable, cette vie de M. Smallwood, et nous partageons de beaux souvenirs de sa contribution absolument unique à la vie canadienne.

It is a pleasure for me to say, on behalf of the people of this province, that we share in the loss but also in the sense of wonder and awe at the life Joey lived.

1420

Mr Conway: On behalf of my colleagues, I want to join with the Premier and the leader of the third party in expressing our condolences to the Smallwood family and the people of Newfoundland today on the passing of a very famous Canadian.

It was once written that history was the record of the encounter of character and circumstance. By that standard, I think we can say Joey Smallwood was a historical character of very considerable significance.

I well remember, as a young boy growing up in Upper Canada, watching those early days of executive federalism when television was bringing into the homes of Canadians those first ministers' meetings, one more of which we will have tomorrow. I have a feeling that tomorrow's meeting will not live up to the energy of some of those days 20 years ago, and by that I simply mean I remember very distinctly what those conferences were like, with W. A. C. Bennett at one end of the table and Joey Smallwood at the other. It was lively and energetic in a way that politics have ceased to be in our day.

Joey Smallwood was, as the Premier rightly observed, a man of many talents and rich and varied experience. He was, among other things, a pamphleteer of some very considerable success. We do not have pamphleteers in politics

today in the way Joey Smallwood was a pamphleteer 40 to 50 years ago. I have always thought that Joey Smallwood, rather like Aberhart of Alberta and Caouette of Quebec, was part of that group of politicians who really understood the mass media in the modern age.

Joey's use of radio during those great Confederation debates of the late 1940s was a model of how to take one's cause to the people. He recruited to politics in Newfoundland a very rich, high-powered and high-quality group, some of whom, I gather, were on the national radio service of the Canadian Broadcasting Corp this morning reminiscing about what it was like to have served in government with the late Mr Smallwood.

For anyone who has an interest, there is a wonderful set of stories told in the very analytical and dispassionate memoirs of Jack Pickersgill about what it was like to have been a citizen in Newfoundland in the 1950s when, by all intents and purposes, Joey Smallwood was the government of Newfoundland and Jack Pickersgill was the government of Canada for Newfoundland, a fascinating recollection of life and politics in a different era.

I certainly want to agree with the Premier in observing today that Mr Smallwood brought to politics a very passionate commitment about what he thought was the public good of the people of his country; that is, the old Dominion of Newfoundland. In these days of the early 1990s, we should recall the nature of that debate and the rather divided opinion surrounding whether that dominion should be brought into the Dominion of Canada. It was a very heated debate, and one can still encounter in Newfoundland people who felt that the debate was wrongly decided. Those of us in Upper Canada feel, I think, that it was rightly decided. As a result of Mr Smallwood's commitment and statesmanship, this country of ours was truly a dominion from sea to shining sea.

Again, I think it is important to state that Smallwood brought a legacy of real character to politics. He certainly was not without controversy. One thinks of some of his economic initiatives. Much has been written and much will be written as the years unfold. One thinks of what it must have been like in a cabinet where Mr Smallwood took the doctrine of *primus inter pares* very seriously. That was not always easy for people like Mr Crosbie, who I gather is fulsome in his analysis of that very colourful part of our political past.

As the Premier rightly observed, we do not just mourn today; we celebrate a happy, successful, lively and full life. Those of us in politics today have much to learn from the visionary commitment of the late Joseph R. Smallwood.

Mr Jackson: Briefly, on behalf of our caucus and our leader, I would like to join the Premier and the Liberal Party in paying tribute to the late Joey Smallwood. He passed away six days short of his 91st birthday, a great Canadian born under a constitutional monarchy. As a boy growing up, he developed his own sense of history and belonging to the British nation and yet saw fit to encourage his jurisdiction to become a province and to join the great Dominion of Canada. It is well known that he managed the

entire campaign in his province and it was a very narrow and close vote.

History will show that he was the most passionate politician of his time. It is a title he wore honourably and that was richly deserved right up until the stroke which befell him in 1985. I had the rare privilege, unlike the Premier, of having an opportunity to meet Joey Smallwood, and for the record I want to assure him it was not at a Liberal fund-raiser. I can recall he was probably one of the most disarming and electric of politicians I had ever met. His sheer presence, based on the reputation of his ability to debate under any number of circumstances was, as I say, legendary. It was a most memorable encounter.

He was, as has been stated for the record, a most passionate and devoted Canadian. During the debate on Meech Lake he was oft-times quoted by his successor Premier, Clyde Wells. Just for purposes of the House, I might briefly read just a short statement that Premier Smallwood made as his vision of Canada. It is referenced in Peter Newman's book *The Distemper of our Times*. Smallwood is describing his very first encounter with a fresh, new Minister of Justice by the name of Trudeau:

"He said to me he wanted my views on the Constitution. So I told him, 'For Quebec, nothing. Nothing. I don't mean almost nothing, I mean nothing whatsoever. Quebec should have nothing that Prince Edward Island doesn't have, that Newfoundland doesn't have. But,' I said, 'for the French people in Canada, anywhere in Canada, everything. Everything. Everything that the English Canadians have. Rights, education, I mean everything.'"

Joey Smallwood's eloquent but brief description of our country spread equally among 10 provinces commends itself to our attention on the solemn occasion of his passing.

[Later]

1430

Hon Ms Churley: Mr Speaker, I know this is an unusual procedure, but I wonder if I, as a Newfoundlander and as someone who has met him, can have éconsent to say just a few words very briefly about Mr Smallwood.

Agreed to.

Hon Ms Churley: I grew up hearing about Joey Smallwood. My grandmother, who was about the same age as Mr Smallwood, died a few years ago. I grew up and heard about Joey Smallwood all my life.

Joey Smallwood sat in my grandmother's kitchen in Old Perlican, Newfoundland, and convinced her she should vote for Confederation in 1948. I remember hearing lots and lots of stories about that visit. I also remember growing up and seeing in her kitchen—she was also a very religious woman—a picture of Jesus and, next to Jesus, one of Joey Smallwood. In her mind, I think they were equal.

Legend has it that in 1948—I am dating myself here—when Joey was in Old Perlican and I had recently been born, he visited the hospital and, as politicians are known to kiss babies from time to time, Joey kissed me on that day.

I was very moved and very touched, and a lot of memories were brought back to me today. I too send my

condolences to the people of Newfoundland and the Smallwood family.

[Later]

The Speaker: If I could draw the attention of all the members of the House for a moment, earlier we had an opportunity for several members to make very kind and generous and proper words about the passing of a former Premier and indeed a remarkable Canadian. We will provide a transcript of Hansard to the Smallwood family, and of course the best wishes from all members of the assembly go with it.

Mrs Y. O'Neill: On a point of privilege, Mr Speaker: Much to my regret, I have discovered that another cabinet minister of the NDP government has lied. During the past week the constituents of the Ministry of Housing received a letter, which I have in my hand, which begins, "Dear Friend," and the body of which contained the following statement:

"Despite the opposition's efforts to block us, we've been busy following through on our commitments to you over this past year. We've created 5,000 new child care spaces and spent \$30 million to raise the wages of child care workers in the private sector." I repeat, Mr Speaker: "the private sector."

These words are lies. They are unfounded and they are not true.

The Speaker: Could the member describe what her point of privilege is?

Mrs Y. O'Neill: Many workers, mostly women, in the private child care sector in this province, in Ottawa-Carleton and my riding deserve an apology.

The Speaker: That is not a point of privilege.

MEMBER'S COMMENTS

Hon Mr Laughren: Mr Speaker, it is with some regret that I rise on a point of personal privilege. Last night in this assembly, to confess, I was doing a little bit of heckling of a member opposite, which is normal course around here. In response to my heckling, the member for Burlington South accused me of being anti-Jewish.

I have been in this assembly 20 years and I enjoy rollicking and uncompromising political debate. I have been under the gun lots of time in this House and, partly because of the experience of being here a long time, I do not shake when I engage in debate. But I am shaking right now with anger, frustration and, quite frankly, I feel soiled.

I regret having to say this to the assembly, but I believe that to have allowed it to go by without comment would be in a strange way to passively condone it. I sent the member a note a few minutes ago, giving him the opportunity to withdraw or apologize and he chose to do neither. It is for that reason I have risen at this time.

The Speaker: To the member for Nickel Belt, I do not believe I was in the chamber at the time, nor was it reported to me by any other chair occupant. Indeed, I can speak for my colleagues who have the privilege of sitting as Speaker, that we try our best to maintain a language level in here that does not demean others and is not insulting.

Perhaps the member for Burlington South would like an opportunity to gain the floor.

Mr Jackson: Yes, Mr Speaker. This is a serious matter, and you are correct that you were not in the chamber. The House was not sitting at the time. The Treasurer and I did engage in a conversation which began with questions about the depth of his hatred for an individual member of this House and we engaged in a discussion where I raised the question, based on his comments about the member's wealth, profession and élitism.

The exchange did get heated, but I must say we did not have an occasion to complete that conversation. It would appear we now have. I regret that the statement was made. However, I am pleased that the Treasurer and I have been able to clear the air on the matter and we have discussed it with the member in question to whom he was heckling.

The Speaker: It is now time for oral questions.

ONTARIO ECONOMY

Mr Elston: Before I begin oral questions, might I ask for unanimous consent to have the Premier tell us what he knows of the circumstances around the GM plant announcements, since it is of major economic import for Ontario, and we could then have a chance to respond to the information he is privy to that the rest of us are not. May I have that unanimous consent?

The Speaker: Is there unanimous consent?

Hon Ms Gigantes: No.

Hon Mr Rae: Mr Speaker, let me make it clear I am not—

Mr Bradley: Evelyn says no.

Hon Mr Rae: No, no. I would not want to encourage anyone to say no. I just want to say to the member, I am not privy to any information other than what I have received via Canada NewsWire, which I would think the honourable member has access to as well. There has been some suggestion that I am privy to some other information. I have had no information with respect to this issue other than what has been received.

We are now monitoring Mr Stempel's press conference, and that is what is being looked at, but I have had no private conversations with Mr Stempel. In the only conversation I had with Mr Peapples yesterday, he said Mr Stempel will be making an announcement tomorrow and we will all have to see what it is. If the member wants me to read him the NewsWire report, I am quite happy to do that.

The Speaker: Perhaps now we could start question period.

Mr Bradley: Is there a rule against sticking out your tongue?

Mr Elston: No, that is not my first question.

Mr Speaker, I think perhaps we should get ourselves on the road today, although I must say it does concern me a great deal when upwards of 4,000 people are at risk of losing their jobs and the Premier of this province has no information about what is to occur.

ORAL QUESTIONS

MINISTER'S COMMENTS

Mr Elston: Let me ask a question of the Premier on another subject. On December 10, 1991, the member for St Andrew-St Patrick tendered her resignation as Minister of Community and Social Services as a result of circumstances with which we are all familiar. Can the Premier identify the standards that allowed him to accept the resignation of that minister, although she declared she had done nothing wrong, but do not require him to expect and accept the resignation of the Minister of Northern Development, who has admitted she lied?

Hon Mr Rae: I thought the member was in fact going to ask me questions about GM. I hope someone is, because the issue is there.

Mr Stockwell: You don't know anything. What's the point?

Hon Mr Rae: We certainly do know some things about it. But if the member is not going to ask questions about General Motors—

Mr Eves: You want us to ask you questions about something you said you don't know anything about?

Hon Mr Rae: No. I am quite happy to respond to the question that was asked.

I would say to the honourable member that the circumstances surrounding the decision of the member for St Andrew-St Patrick are different from the ones involving the minister in question. The decision that was made by the honourable member for St Andrew-St Patrick was a decision that was made by her in light of the circumstances she was facing, which I think he knows something about, and I accepted her resignation with regret.

1440

Mr Elston: It seems unreasonable to me to expect the Premier to leave this topic by merely saying that when a minister decides he or she will resign, he will accept the resignation. In this situation we clearly have someone who said something that was incorrect and that has had a deleterious effect on the character of people about whom she has spoken publicly.

Does the Premier not regard that as an offence that does in fact remove the trust about which he spoke when he spoke publicly about firing the member for Welland-Thorold and the trust he said had to be earned daily as a minister of the crown? Does he not think that loss of trust in this case is enough for him to require the resignation?

Hon Mr Rae: I think in the circumstances the minister's apology is very clear. Judging from what I have heard from citizens across the province and indeed from many people in northern Ontario, the minister is doing a great deal to earn the trust of the people of this province every day.

Mr Elston: It is quite clear now the standard we are now speaking about is the standard line of the New Democratic Party of Ontario when it is confronted with opposition. Whether opposition politicians have materials which show they are doing something wrong to the province or

whether somebody opposes a particular program of a ministry of this province, they attempt to do things to undermine the opposition publicly, either by sending the police to offices of opposition politicians or by declaring there is a prosecution in the offing against the people who oppose their position.

Will the Premier not confirm that this is the standard tactic of the New Democratic Party of Ontario and that it is undermining the democratic processes of this province by having a heavy hand around the throats of the free-speaking people of this province?

Hon Mr Rae: The member is quite wrong in his statement that this is the approach of the New Democratic Party. I do not think that is something which has a lot of credibility or believability out there. The notion that a democratically elected government, which is accountable and responsible to the Legislature every day, all the time, responding as frankly and as candidly as we can to the questions that have been posed—

Interjections.

The Speaker: Order.

Hon Mr Rae: I would say to the honourable member that he ought to be putting this in a little bit more perspective.

Mr Elston: I again have to say that the Premier is not coming forward with a full recollection of all of the things he used to say in opposition.

ONTARIO ECONOMY

Mr Elston: I would like to return to the General Motors issue, because in essence the first admission of this Premier that he knows nothing of an event which could parlay into upwards of 4,000 women and men in this province losing their jobs is an admission of an inability to keep in touch with the serious economic implications of the restructuring that is going on in this economy.

I cannot tell members how disappointed we are as individuals that this Premier, having met just a day or so ago, is unable to tell us what he has in his hands that would save the jobs that are at risk in Oshawa. Can the Premier tell us what economic recovery plan coming down the line from his throne speech or his statement in September he has prepared to respond to the difficulties that GM workers are facing over this Christmas season?

Hon Mr Rae: Let's look at this situation. General Motors has announced a major restructuring of the company. It has announced it is going to be reducing substantially levels of employment in both the salaried sector and among blue-collar workers. It is announcing there are a number of assembly plants and a number of power train and component plants across North America which are going to be closed over the next few years.

Mr Elston: Through the mid-1990s.

Hon Mr Rae: Through the mid-1990s.

What we also know is that the assessment the corporation makes with respect to each part of its company has to do with the competitiveness, the capacity and the ability of the plant to produce goods, products and services at a competitive level. That is precisely what Mr Stempel told me

over a year ago when I met with him before of any of this was being announced with respect to the assessments.

What I was told by Mr Stempel was this: When you consider the general productivity of Canadian workers, when you consider the health care advantages we have in terms of the differential on benefit plans and the very substantial differences that are there and when you consider the overall makeup of the industry, the Ontario and Canadian plants are competitive. But it is very tough out there and improvements are being made in American plants and other plants all the time.

So I would say to the member that it is now a challenge for all of us, for the workers, for management and for everyone, to ensure that we are going to be as competitive as possible in keeping as much employment as possible in the plants that are here in Ontario.

Mr Elston: Having already admitted to this House that he knows nothing of the General Motors situation with respect to the restructuring and the effect it has on the women and men of this province, can the Premier tell us what he got in return for having given a more flexible funding program to GM that is going to cost the contributions to that pension plan between \$500 million and \$700 million? Can he tell us what he got for that?

Hon Mr Rae: I am glad the honourable member is the one who is asking the question because he was the minister who brought in the regulations that had the effect of increasing the liability of General Motors in a way that he never understood or anticipated or realized, because if he anticipated, understood or realized it, he would have understood that the regulatory change for which he is responsible had a very negative impact with respect to the company's proceedings and dealings in this province. It is not a question of what you get for what you are doing; it is a question of saying that this province is prepared to act in good faith. This province is not, by a mistake of a previous government, going to unwittingly and unknowingly cause a corporation an increase in liability far in excess of what it is able to produce.

Mr Elston: I well recollect the interjections of those people during those debates when they said it was not enough. I want the Premier to tell us what effect has his movement on the pension funding requirements had on the pension benefits guarantee fund and the outstanding liabilities that are now resting at the feet of the consolidated revenue fund, now owned by the Treasury? Can he identify the fact that he has just given a guarantee by the province of Ontario against the \$500 million to \$700 million in contributions that are no longer required?

Hon Mr Rae: If the honourable member is opposed to the approach we are taking, I hope he stands up and says so and indicates what his alternative is, because there is an opportunity. There is now a two-month consultation period, a very specific period in which people can comment on what is being done. I say to the honourable member that what is taking place here is a serious consultation with the workers in the industry with respect to a situation that was created by previous legislation. That is a very substantial problem. The minister is nodding; he knows it per-

fectly well, because he knows perfectly well that these changes are there.

I say to the member that if he wants to take a look at the proposed draft regulations that are there, they deal specifically with the question of the guarantee fund and the need for that guarantee fund to be better protected in light of other changes that are being made.

MINISTER'S COMMENTS

Mr Eves: I would like to ask the Premier a question with respect to his standards of proper conduct by cabinet ministers. He said on December 12, 1990: "I think we are entitled to certain standards from our colleagues. I do not like surprises"—referring to the actions of the member for Oakwood when he was asked by the Premier to step aside and out of his caucus. "We must at all times act in the manner that will bear not only the closest public scrutiny but go further and ensure public confidence and trust in the integrity of government."

On July 2, 1986, with respect to the René Fontaine affair and certain allegations—and at that time they were just that, allegations against Mr Fontaine—here is the now Premier's own question, "Does the Premier not understand the problems he has created by not stating quite simply that it would be in everybody's interests if the member were to step aside from cabinet until such time as this matter has been resolved?" That is my question: his question.

1450

Hon Mr Rae: Earlier on this week, the leader of the third party asked me five questions. Then he asked a sixth question, which was:

"We are calling on the Premier today, and I ask him to consider it carefully, to call for a full, open, unfettered investigation by an all-party committee of this Legislature into the entire Martel affair and the related involvements of the Minister of Health and Ministry of Health and the documents. Will the Premier agree with this today so that we can get on with business?"

That is exactly what we have agreed to on this side. That is exactly what we have said. I say to the honourable member for Parry Sound that he knows that. That is exactly what we have agreed to. The member's leader asked me a question and we have answered it in good faith.

Mr Eves: The Premier seems to have had a memory lapse here. He selectively has not remembered that despite the fact that both the Fontaine and Caplan matters were investigated by a committee of this Legislature, the Premier, in his role then as leader of the official opposition, demanded that they both step down while the investigation was going on. There is his quote. That is what we are asking him to do. Why will he not do it? It is the same thing he asked of them.

Hon Mr Rae: With great respect to the honourable member, in the situation we are dealing with today we were asked by opposition parties, specifically by the leader of the third party, "Will you set up a committee? Will you have a committee?" which we did.

Mr Scott: You're afraid to do it.

Hon Mr Rae: The member for St George-St David says we are afraid to do it, which is quite the opposite of the facts, quite the opposite of the truth. We have set up the committee. We have given the committee the clear mandate to do it. We have offered the chairmanship of the committee to a member of the opposition, if the two parties can agree on which party should chair it. We have made all that very clear. The members opposite wanted counsel. We have offered them counsel. What they are saying is, "Unless you do things the way the opposition wants you to do it, we are not prepared to let you govern." That is what the members opposite are saying.

Mr Eves: The issue still remains. All those were factors in both those other precedents in this House. The fair thing to do, the proper thing to do is what those two members did; they stepped aside while the investigation was going on. I do not have to remind the Premier of that. We have all kinds of quotes. We can keep on bringing these up.

Another question, the same question the honourable Premier asked on June 13, 1989: "It is the Premier's job to determine what are the ethical standards of members of his cabinet." I want to ask the Premier, does he understand the distinction between a conflict-of-interest law and a standard of ethical conduct that he should be requiring of his own ministers?

Hon Mr Rae: Yes, I do.

MEETING ON THE ECONOMY

Mr Harris: My question is to the Premier. The Premier has been calling for tomorrow's first ministers' meeting for over a year. Over this past year he has been out of step, and quite frankly has been condemned on many occasions by other premiers for his massive spending, for his huge deficit, while others of all political parties, even two newly elected New Democratic governments, have consistently said: "We must have balanced budgets and cut government spending. We must get our own spending in line if we are to have a truly sustainable recovery in this country."

Can the Premier tell me how, after a year of being totally out of step with all the other premiers and ministers of finance, he expects to go to Ottawa tomorrow with absolutely nothing new to offer and with some vague support for a proposal of the federal government and expects he will take a leadership role? How is he possibly going to take a leadership role tomorrow at that meeting of the first ministers on the economy?

Hon Mr Rae: It seems to me that helping to create a climate in which it is possible for it to take place has been a contribution this province has made. I have spent some considerable time talking with everyone, including the Prime Minister, about the importance of this issue for the people of Canada and how it could not be postponed and put off any longer. Without wanting to claim any credit, I think the mood in the country among the premiers has changed over the last month, because of the way in which it has become very clear to everyone that this issue is one that requires direct attention.

I think the proposals we are making with respect to infrastructure, job creation and the RRSP idea—which we share with others; we are not making any claims that it is unique to any one place—are part of a constructive mood that we hope is emerging among all the premiers.

I am very proud of our record in this government on job creation in response to the most serious recession that has been faced. If the member looks at the deficit numbers coming in now from Saskatchewan and British Columbia, and looks at the statements made by the Tory premiers in those provinces prior to the elections, we are beginning to see the credibility of this government with respect to job creation and with respect to dealing honestly with the people on what we can do and what it is going to cost and the fact we are able to meet the challenges we set out for ourselves in the last budget.

Mr Harris: The premiers in all the other provinces have taken pains to try to get their affairs in order. This Premier increased spending by 14% and gave our civil service 16.1% in new money last year, totally out of sync with all the other premiers.

For a year, the Premier has been calling for this meeting. Now he has this meeting and today we find out he has a few vague suggestions and absolutely nothing new to take to the table. Some two months ago, I offered him some very specific proposals, 34 pages chock-full of actual proposals, things that could be done. In fact, I have 11 copies of New Directions here. I will ask a page to take these 11 copies over to the Premier. In the absence of having anything specific at all, will the Premier take these 11 copies of New Directions, full of specific proposals, so that he will not be embarrassed and so Ontario can have something positive to contribute to the discussions at lunch tomorrow?

Hon Mr Rae: I will be delighted to share this information with the other premiers, as well as with the Prime Minister. I thought the Prime Minister would already have a copy, but I will make sure he gets one.

With regard to the record of other provinces, I want to remind the member that his good friend and Conservative colleague Grant Devine said he was going to have a \$250-million operating deficit—operating, not capital—and it is now close to \$1 billion. That is the record of the Conservative government in Saskatchewan. With respect to British Columbia, the leader of the third party's best friend, Rita Johnston, told us there was going to be a \$400-million deficit; it is now \$1.9 billion on operating alone.

We will compare our record of what we have had to do and the challenges we faced with that of any other government in Canada. We are proud of what we have done, we are proud of our Treasurer and we are proud of wrestling with the most difficult recession we have had to face since the 1930s.

1500

Mr Harris: I remind the Premier that my good friend Roy Romanow got elected calling for a balanced budget, and in that aspect he is my good friend. I am not interested in personalities. I am not interested in political parties. I am interested in policies. I am interested in what people

stand for. That is what indeed I have been fighting for throughout my political career, and it is what I am fighting for today.

I appreciate that the Premier will take New Directions to 24 Sussex. I will have some comfort knowing that at least there will be something positive—in fact, 34 pages of positive suggestions—perhaps on the table, or at least shared there. I want to ask the Premier specifically about one of the proposals, something that might give some hope and opportunity to retailers, to families and to those who have been laid off.

In this document there is a suggestion for an immediate cut in sales tax in Ontario, from 8% to 7%, with the corresponding cuts in the government's own wasteful spending to go with it. Will the Premier put on the table tomorrow his offer—in order to give a little Christmas present, some hope and some opportunity, to the people of this province—to cut taxes in Ontario, and specifically the sales tax immediately by 1%?

Hon Mr Rae: Whatever proposals are here, I am sure, will be part of a broad discussion that will take place in the few hours we have tomorrow.

The honourable member wants to cut taxes. I presume what he is saying is he wants to cut the GST as well. That would be part of the proposal. The member wants to cut taxes and he wants to increase some areas of spending—there are lots of new spending proposals in here—and at the same time he wants to balance the budget. He cannot have it all ways all the time. It is not going to work when he tries to do it that way.

MINISTER'S COMMENTS

Mr Scott: My question is to the Premier. The Premier will be with the other premiers tomorrow and it may be that politics will be discussed during the course of it. I am certain some of his colleagues will ask him about the Shelley Martel affair. He will be able to answer: "When I was Leader of the Opposition, I was very tough. When allegations, later unfounded, were made against Elinor Caplan and a committee was going to be set up, I demanded her resignation before the committee went ahead so that she would be out while the committee was under way. When Joan Smith was at stake, I, as the Leader of the Opposition, got up and tore a strip off her, right up one side and down the other, and demanded and got her resignation. I was a tough Leader of the Opposition."

The Premier will now be able to say: "Now that I've got the levers of power in my own hands, I can say to the people of Ontario: 'Stuff it. I'm running this show.'" That is what the Premier can say to his fellow premiers, but what is he going to say to the people of Ontario about this absolutely abysmal flip-flop that indicates the standards he once had were totally transparent and worthless?

Hon Mr Rae: What I will say to the people of Ontario is what I have been saying to them for some time, and that is that we are working hard at some of the toughest issues any government has faced since the Great Depression. I can assure the honourable member that is the preoccupation of the people of this province, and that is what they expect to be the preoccupation of their government.

Interjections.

The Speaker: Order.

Mr Scott: There are real questions being raised in this province about the fitness of this Premier to deal with these issues in a democratic assembly as a result of what has happened over the last week or so.

Here is what the member for York South said in 1986 about a mistake made by a member of the previous government: "Fairminded people"—he includes himself always in that category—"think it is important that cabinet ministers set standards as members of cabinet. We, alas, live in a world where mistakes have consequences. Does Premier Peterson not understand that he has to live with those consequences and accordingly deal with them firmly?" The resignation of a minister followed.

I want to ask the Premier, what are the consequences of this mistake and when is he going to attempt to restore the confidence of the public in his shattered integrity?

Hon Mr Rae: My experience teaches me that people out there, generally speaking, do not always assume the worst of other people.

Interjections.

The Speaker: Order.

Hon Mr Rae: I say to the honourable member, as he speaks and shouts at me from his chair and shouts at me when he stands, when he makes the accusations he makes—

Interjection.

The Speaker: The member for York Mills, come to order.

Hon Mr Rae: —when he says that anybody around here goes around telling the people of Ontario they can stuff it, to use the words he uses, all the words he uses when he stands on his feet today, I simply say to him that the member for Sudbury has clearly indicated she is sorry for what has taken place, she has apologized for what has taken place, and this government has clearly offered to both opposition parties a willingness to have an all-party committee deal with this question.

ONTARIO ECONOMY

Mr Harris: My question is to the Premier as well. I read his comments this morning in the *Globe and Mail* regarding General Motors' pension requirements. He said, "This is one very specific thing which this province is looking at because of the need for us to provide a competitive climate for General Motors."

I find it absurd that he can talk about providing a competitive climate for the auto industry or any other industry in Ontario, particularly with regard to the auto industry, at the same time as the members of my caucus have been talking for hours against his gas guzzler/auto workers tax. This is a tax that directly hurts the auto industry's ability to compete. If the Premier is truly serious about helping auto workers, will he withdraw the gas guzzler tax today?

Hon Mr Rae: The tax that was proposed by the Treasurer was then revised after a serious consultation with the industry, during which members of the industry indicated

very clearly to us that this was one of the few times they could ever remember a government sitting down and listening and learning from the experiences they were describing and therefore reforming the tax; which treats all cars, wherever they are made, in a reasonable way. It is designed specifically to deal with the problem of excessive fuel consumption and those standards. It is our intention to proceed with it in a fair and responsible way.

Mr Harris: The Premier knows the original tax had that intent. This is simply a tax on cars and no longer has anything to do with the environment. He knows that. That was the concession made. In effect, the offer to the auto industry was, "Do you want us to heavily tax all the cars you make or just moderately increase the tax on the whole lot of them?" The reality is that this is a tax on automobiles. The reality is that the government is driving business out of this province. It is driving GM out of this province. Its policies are forcing day care workers out of business. Its labour proposals may cost Ontario 500,000 jobs. Its Sunday shopping legislation is costing thousands of retail jobs. Its retroactive housing legislation has cost all kinds of jobs.

As GM and all the auto manufacturing plants in this province are having difficulty, why will the Premier not do one thing—withdraw and cancel this silly new tax on automobiles—to help give our auto workers a chance in this province?

Hon Mr Rae: Quite bluntly, I do not think it would have that effect. I do not think it would have the effect the member thinks it would have. I do not think it is having the effect he describes, the suggestion he made.

I want to respond to the preamble to the question. To suggest that the GM announcement made by Mr Stempel with respect to all of North America is the fault of this government is just a preposterous thought. It reflects no understanding of what is taking place.

If that is what the leader of the third party believes, has he no understanding of what is taking place around North America? Does he not realize there is a recession on all around North America? Instead of coming up with his ideas from the 1920s, from Calvin Coolidge and Herbert Hoover, my friend should get with it. We are in the most serious structural recession since the 1920s.

1510

PIPER AIRCRAFT

Mrs Mathysen: My question is to the Minister of Industry, Trade and Technology. It has been about two weeks since Cyrus Eaton spoke to his officials about the acquisition of Piper Aircraft. I recognize that his ministry has placed a high priority on increasing value added jobs in Ontario in such sectors as aerospace. Municipalities near my riding would like to see Piper come to Ontario. Would the minister give us an update on his negotiations with Piper?

Hon Mr Philip: As the member has indicated, our ministry is actively pursuing viable investment opportunities in this province. However, since public funds are often involved, our investment decisions must be considered

carefully and reached only after a thorough investigation of the pertinent facts, and Piper Aircraft is a case in point.

Since the first meeting with Mr Eaton some two weeks ago, high-level contacts between my officials and Mr Eaton have continued. Last week I told this Legislature that I had spoken to Mr Eaton about our interest in Piper, as has the Premier, and another senior-level meeting took place last Friday, with a specific mandate of clarifying some questions we had as a result of a very lengthy business proposal that was given to us. I might add that the proposal included a sizeable commitment of money. We are looking into the proposal.

Mrs Mathysen: I am pleased to see that despite the fact that Investment Canada chose to exclude Ontario from any discussions with Piper, the minister and his officials are actively pursuing the possibility of attracting this company. On the other hand, the company is under the gun of US bankruptcy proceedings and January 31 has been mentioned by Mr Eaton as a deadline. Can the minister tell the House what his ministry is doing to meet this January 31 deadline?

Hon Mr Philip: Since earlier this week, my officials have been conducting due diligence process. We are looking at such items as the direct benefits, such as jobs, the ripple effects in terms of new markets for suppliers, the sources of funding, the track record of the company involved in terms of funding and its operations expertise, as well as markets that may be available for the craft it manufactures.

We are proud of the progress we are showing. We believe our progress to be superior to that of other jurisdictions in Canada and we believe our evaluation process helps to ensure that we do not enter into deals where we will be liable down the road to the taxpayers for additional funds we are not aware of.

All I can say to the honourable member is that we are acting as quickly as possible without cutting any corners. We invite other proposals from other companies that want to locate in this province and we will work with them in the same manner. Ontario is open for business.

MINISTER'S COMMENTS

Mrs McLeod: My question is for the Premier. I have been following the events of this House over the last two weeks with considerable regret. I have tried to find in the repeated responses of the Premier and the Minister of Northern Development and Mines some evidence that they understand the magnitude of this issue, some sense of the standard the Premier is applying in refusing to asking this minister to resign. I ask the Premier if he will please help me to understand whether there is any standard he is using as a basis for his judgement in this case, and if there is, what I should understand that standard to be.

Hon Mr Rae: I would say to the honourable member that the issue here, I think, as we have tried to discuss it as candidly as possible over the last number of days in the House, is that in the course of a conversation with Mrs Dodds, the minister lost her temper and said things which she should not have said. I am satisfied, on the basis of

everything I know about the minister and on the basis of her conduct as a minister—on what she has done in terms of her capacities, her administrative abilities, her abilities, her hard work, what she has done across northern Ontario—that she regrets very much what has taken place. It was an error of judgement on her part. That aspect of it is obviously important to me and I think it is important to most people in the House.

Mrs McLeod: As I have been travelling this province over the past year, I have become more and more concerned about the lack of faith people have in the political process and in politicians. I refer to the Premier's own guidelines for the conduct of his ministers wherein one of his fundamental principles is, "Ministers shall perform the duties of office and arrange their affairs in such a manner as to maintain public confidence and trust in the integrity of the government."

Surely the Premier does not believe that repeated apologies for repeated mistakes, and particularly in this case an apology for a fraudulent and slanderous statement made, is enough to wipe the slate clean. The minister has lost the trust of the people of northern Ontario, even the people of Sudbury. I ask the Premier why he will not take this step of asking the minister to step down in order to salvage some sense of integrity for his government.

Hon Mr Rae: We all go around the province and we all talk to people and we all listen to what people have to say about politicians. I think the conduct, the rhetoric, the language and the preoccupations of all members of the Legislative Assembly and of all members of the House of Commons are what is being considered by Canadians and what is being looked at by Ontarians in this regard.

We have been candid in terms of all the events that are there. When there was any suggestion that there was confidential information somewhere, we asked the Information and Privacy Commissioner to be there. The minister apologized several times. She has apologized to this House on several occasions. She has made that very clear.

We have offered to set up a committee. We were asked to set up a committee so that we could get on with business. That is what the leader of the third party asked for and we responded to that. We have made that case very clear. I think what is at stake here is not only, as the honourable member says, the integrity of this government or of me, or the fact of the things that are being said; I suggest that part of what it is now clear is happening is that the people of the province are looking to the conduct of all their politicians and the standards and judgement they exercise all the time. That is how I am going to be judged and that is how everyone in the House today is going to be judged.

Mr Stockwell: The Premier continues to get up and he does not answer the question. My question is to the Premier again, giving him another opportunity, another attempt to answer the questions that are put.

The question is clear, and the Premier can give all the rhetoric he wants but the question still stands. Fontaine and Caplan had to step aside while an investigation was taking place; the now Premier insisted upon this. The Premier is

in the same situation. The only difference is—now listen carefully—those were allegations. What we have here is a minister admitting she lied and slandered, which is a very substantial difference.

Why is it that the Premier insisted those ministers stand aside and he does not insist upon it for his own minister? I ask the Premier not to mix the question up. I do not want to hear about apologies. I do not want to hear about mistakes. I want to hear the Premier rationalize why he insisted Fontaine and Caplan stand aside while this member does not have to.

Hon Mr Rae: The member for Etobicoke West not only wants to write the questions; he also wants to write the answers. Unfortunately, he may not want to hear some of the things people say on the other side.

Mr Scott: Don't be funny about it. Have you no standards? God, this is unbelievable.

Hon Mr Rae: I believe the record of this government in this area is very clear.

Mr Scott: You're a pigmy compared to previous occupants of your office. You are, absolutely.

Hon Mr Rae: The member for St George-St David has called me a liar—

Mr Scott: Bill Davis had more guts than you. David Peterson had more guts than you.

1520

The Speaker: Would the Premier take his seat, please.

Mr Scott: I didn't say you were a liar.

Hon Mr Rae: You said it on a number of occasions.

Mr Scott: I said you were gutless.

The Speaker: Order, the member for St George-St David.

Interjections.

Mr Harnick: You're better than he was, Bob. You're just a better person. You're just a much better person. You're slimy. You are just a condescending, slippery—

The Speaker: First, I ask the House to come to order. I will deal first with the member for St George-St David and then the member for Willowdale. I ask the member for St George-St David, who earlier in his comments made an unparliamentary remark, if he would be kind enough to withdraw that remark.

Mr Scott: What words, Mr Speaker?

The Speaker: I think if the member reflects back, at the time when I first rose, there was the reference to former premiers and how you compared this Premier in stature.

Mr Scott: I withdraw that remark if it was unparliamentary. I believe the Premier has not got the moral fibre of those occupants of this office.

The Speaker: Certainly most acceptable.

The member for Willowdale, I would ask him not to use language that is insulting to other members of the House and I would ask him to withdraw the comments he just now hurled across the floor.

Mr Harnick: If I made such remarks, I withdraw them.

The Speaker: Response by the Premier?

Hon Mr Rae: I can only answer in the way that I have answered as clearly as I can to the member for Etobicoke West. He and I may have a difference of opinion. That does not mean we have to rise to the level of adjectival assassination that we seem to have arrived at in the House today.

Mr Stockwell: The question was very clear. I asked the Premier the difference and he is giving me some lecture that we should not get this upset. Does he know why everyone is upset? It is because he sat on this side of the House so sanctimoniously, so holier than thou. He knew all the answers when these issues came up. The question still stands. He sat on this side with a clear agenda. The agenda was that when any conflict such as this came up, they must step down.

I am asking the Premier, what is the difference, besides changing sides of the House, between these issues of Fontaine and Caplan and what he is faced with today? I am asking that question. I am not putting the answer in his mouth. I just do not want to hear about mistakes and apologies. I want to know what the difference is and why this minister can stay and those ministers had to leave because he asked them to. Where is the difference?

Hon Mr Rae: Maybe the difference is contained partly in the question in terms of whether this amounts to a conflict, whether the minister is benefiting at all from anything that has been done, whether there is any economic interest involved here. These are questions of judgement with respect to what has taken place.

SEXUAL ASSAULT

Mr B. Ward: This is a very serious question for the people of Brantford.

The Speaker: To whom is your question directed?

Mr B. Ward: My question is for the Solicitor General. These are tough times in Ontario and in Brantford. We are all aware of that. The people of Brantford are appreciative of the support this government has shown them. However, they are extremely tough times for the victims of sexual assault in the city of Brantford and Brant county, and that is because we do not have a sexual assault centre. They have had a grass-roots committee form over the years and two individuals are working very hard: Vayla Roberts, the chairman of the Brant county sexual assault committee, and Kim Van Louwe of the social planning council. However, we still do not have a sexual assault centre in Brantford or Brant county.

My question is, could the Solicitor General give this House an update on any progress that is being made towards establishing a sexual assault centre for the people of Brantford and Brant county?

Hon Mr Pilkey: I thank the member for his question and for his concern with respect to the needs of victims of sexual assault. I know he has been concerned because, to put it mildly, he has been in constant contact with my ministry staff on this particular issue. About three weeks ago the Brant county sexual assault advisory committee was formed. The committee has conducted a needs assess-

ment of the community and developed a proposal for a service.

The hopes of the committee and the people of Brant county were lifted on May 8, 1991, when our government advised a tripling—yes, a tripling—of the funding for sexual assault centres. Subsequently, in the course of ongoing communications with my staff, the sexual assault committee developed a startup plan based on the needs of Brantford. On December 12, staff from the ministry met with the committee to discuss the proposal, a budget and a work plan. I am pleased to tell the member for Brantford that the ministry does not anticipate any difficulty with funding for the Brant county proposal.

Mr B. Ward: It has been a priority of mine since my election and I think it is also a priority of the people of Brantford to obtain the funds. I am quite anxious to find out when the funds will flow to the area. Could the minister provide an estimated date when funds will be provided to the Brant sexual assault advisory committee so that it can work towards establishing the centre? I know there is a small obstacle, and I am aware of that, concerning the flowing of funds to an unincorporated agency. I hope we can overcome that small problem as well.

Hon Mr Pilkey: The member indicates a difficulty with the incorporation with respect to that particular group, but I can indicate to the member that the funds will flow very soon indeed. While I cannot give him an absolute date, the meaning of that comment is that it will be in the foreseeable future, in the very near term indeed. It will not be a prolonged circumstance. He will be very happy with the result.

MINISTER'S COMMENTS

Mrs Caplan: In the absence of the Premier, my question is to the Minister of Industry, Trade and Technology. On June 16, 1986, amid a series of allegations later proved to be unfounded with respect to my compliance with conflict-of-interest guidelines, he asked me: "Why does the minister not do the honourable thing and step down until the matter has been clarified?" I would like to ask the minister why this same standard is not being applied to his colleague today.

Hon Mr Philip: I am happy to accept any questions directed towards my ministry. That has nothing to do with my ministry. I will refer it to the government House leader.

Hon Mr Cooke: This is the protocol of this place and I think the member for Oriole knows that. We have said in this Legislature time and time again that we are prepared to have this issue looked into.

We had a request from the leader of the third party at the beginning of the week that the matter go to committee. I negotiated on behalf of the government for the last two days with her House leader and the House leader of the third party. We were almost at the point where we had an agreement on how the committee would proceed. The government agreed with every demand the opposition parties made with the exception of one, and it should be very clear to the opposition parties that the government will not be offering the resignation of a minister, but we want the

matter to go to committee. One can only understand that the point the opposition parties have made in the last two days is that they do not want this matter to go to committee because they know they have nothing to prove and we have nothing to hide.

Mr Bradley: I would like to call you a liar right now.

Hon Mr Wildman: Mr Speaker, is that in order?

Mrs Caplan: I would like to pursue this matter further. The NDP observed in this House on June—

The Speaker: Would the member for Oriole take her seat, please. The member for St Catharines, that is doing something indirectly which you know you are not permitted to do directly.

Mr Bradley: I said I would like to call him a liar right now. I obviously did not call him a liar.

1530

The Speaker: I would ask the member simply to withdraw that.

Interjections.

The Speaker: The member for St Catharines makes it very awkward because I—

Interjections.

The Speaker: Order. Will the House come to order.

When we have a difficult issue before the House, language becomes perhaps more focused than what is helpful. I ask the member for St Catharines, in the circumstance of the atmosphere which is currently in the chamber, if he would reconsider his approach to the topic.

Mr Bradley: To assist the Speaker, because I know you want to keep this House decorous or whatever you call it, I will certainly withdraw that.

The Speaker: I appreciate the approach of the member for St Catharines's. If the member for Oriole would place her supplementary.

Mrs Caplan: In supplementary, I will pursue the matter further. I remind the members of the NDP cabinet that on June 16, 1986, the quote was that "only after" the legislative standing committee had dealt with the issues could I stand in all respect and take over my responsibilities once again.

My question today is, what has changed in the NDP standards of conduct between 1986 and 1991, and why is the Premier not demanding that same standard of conduct from his own colleague today?

Hon Mr Cooke: The request at the beginning of the week was for a committee of the Legislature to look at the matter. The proposal was put forward and we negotiated in good faith. I can only come to the conclusion that the opposition parties are afraid to have this go to committee.

HEALTH SERVICES

Mr J. Wilson: My question is to the Minister of Health. She knows that the Provincial Auditor, the Ontario Hospital Association, health organizations, I and my colleagues in the Ontario PC party, have been telling her all along that hospitals are being forced to randomly cut beds without government direction and without any overall assessment of the health care needs of Ontarians as a whole.

Medical specialists are now giving her the same message, and they are tragically doing so, because they are voting with their feet and leaving Ontario in large numbers. Ontario has lost about 25 orthopaedic surgeons to the United States in the past few months.

I ask the minister what she says to patients who will now be forced to wait in even longer lineups for medical specialists' care.

Hon Ms Lankin: We have dealt with this issue a number of times with respect to the effect of the negotiations between the government and the Ontario Medical Association, the effect of the thresholds, and the member raises some other issues.

First of all, with respect to orthopaedic surgeons, there have been in every year in the last number of years a fair number of orthopaedic surgeons who have left Ontario and gone to the United States. The member suggests the problem is larger. The numbers I have seen thus far do not suggest the number is larger, but I will look into his recent stats that he is quoting.

I can also tell him that in terms of the increase in the number of orthopaedic surgeons we have in the province year over year, we have a substantially larger core of orthopaedic surgeons in Ontario this year than last year in terms of those who are graduating and coming into the province.

Overall, however, the member raises the issue of management of human resources with respect to physician services. I think it is an important issue. I might come at it from a different perspective than him, but I agree with the importance of the issue.

We are meeting with other provincial ministers of health. This is an issue not just in Ontario. Every province faces this in terms of distribution of specialty, mix of doctors and numbers of doctors. The Barer-Stoddart report focused on a lot of this, and we hope we will be taking action in the new year that will help not just Ontario but all of Canada to manage this important issue.

Mr J. Wilson: At the very time the Minister of Northern Development and Mines was slandering and lying to a crowd in Thunder Bay, that very night I was meeting with doctors in Sudbury on behalf of my caucus colleagues, and in fact with the very doctor she slandered and lied about. Ministry of Health officials were telling the good people of the north that if there is a shortage of specialists, under the grant program they can send their patients down south.

I have news for the minister. There are not enough specialists here any more to deal with the problems of northern Ontarians, let alone the people of southern Ontario. I have a list of 10 medical specialists who have left the Toronto area in the past few months. Dr John Kostuik, spinal specialist, orthopaedic surgeon, left Toronto Hospital and is now at Johns Hopkins. Dr Steve Esses has left Toronto Hospital and is now in Houston. Dr Peter Armstrong, children's orthopaedic surgeon, has left the Hospital for Sick Children and is now in Salt Lake City, Utah.

The Speaker: Would the member place his supplementary question.

Mr J. Wilson: Dr Debbie Bell, children's orthopaedic surgeon, spinal specialist, has left Sick Children's and is now in Detroit. Dr Peter Brooks, reconstructive surgeon, left Toronto.

The Speaker: Does the member have a supplementary question.

Mr J. Wilson: He is now in Cleveland. I could go on. Dr Bob Jackson, Dr Stan Gurtzbain, Dr Gross, Dr Susan MacKinnon—

The Speaker: Rather than list all the doctors in the province, would the member succinctly place his supplementary if he has one.

Mr J. Wilson: I am succinctly placing it, but it is a very long list and I am doing the best I can.

Dr Susan MacKinnon, a world leading plastic surgeon, just left Toronto and has now gone somewhere in the United States, and there are others. These are not just medical specialists. These are world renowned, top-of-their-field medical specialists in Canada.

The Speaker: Would the member take his seat. The member was asked several times to place a question and he failed so to do. The time for oral questions has expired. I realize that both the member for Simcoe West and the member for Prince Edward-Lennox-South Hasting indeed have questions and perhaps they will find their way to question period tomorrow.

PETITIONS

HEALTH PROFESSIONS

Mrs Caplan: I have a petition to the Legislative Assembly of Ontario:

"We, the undersigned, petition the Legislative Assembly of Ontario as follows:

"We respectfully request that chiropractors continue to be permitted to communicate a diagnosis identifying a disease or disorder of the foot, thus eliminating the inevitable two-tier health disciplines and allowing this profession to serve the people of Ontario in its fullest capacity."

This is signed by 100% of the students of the Ontario chiropody program at the Michener Institute.

REPORTS BY COMMITTEES

STANDING COMMITTEE ON GOVERNMENT AGENCIES

Mr McLean from the standing committee on government agencies presented its 22nd report.

Mr McLean: Briefly, the standing committee on government agencies met to consider the review of intended appointments, pursuant to standing order 104(g). Your committee reviewed the intended appointments of Verna L. Hannaford, member of Orillia Police Services Board, and Frances Adams, member, Village of Lakefield Police Services Board, referred to the committee on Tuesday, November 28, 1991. Your committee concurs in the intended appointments of these persons.

The Speaker: Pursuant to standing order 104(g)(11), the report is deemed to be adopted by the House.

1540

STANDING COMMITTEE ON REGULATIONS AND PRIVATE BILLS

Mr White from the standing committee on regulations and private bills presented the following report and moved its adoption:

Your committee begs to report the following bills without amendment:

Bill Pr104, An Act to revive The Church of the Torontonians;

Bill Pr109, An Act to revive Federated Women's Institutes of Ontario, Bay of Quinte Branch;

Bill Pr113, An Act to revive Hotstone Minerals Limited;

Bill Pr114, An Act to revive Tasmaque Gold Mines Limited;

Bill Pr115, An Act to revive Pittsonto Mining Company Limited;

Bill Pr116, An Act to revive Sunbeam Exploration Company Limited;

Bill Pr117, An Act to revive Petittclerc Mines Limited;

Bill Pr118, An Act respecting the City of Hamilton;

Bill Pr119, An Act to establish the West Nipissing Economic Development Corporation.

Your committee further recommends that the fees and the actual costs of printing at all stages and in the annual statutes be remitted on Bill Pr109, An Act to revive Federated Women's Institutes of Ontario, Bay of Quinte Branch.

Motion agreed to.

MEMBER'S MAILING

Mrs Sullivan: On a point of privilege, Mr Speaker: The member for Ottawa-Rideau earlier rose on a point of privilege in relationship to a letter written by the member for Ottawa Centre to people in her constituency.

I am asking that you investigate this letter since it was produced on Legislative Assembly paper using the office of her constituency and her Queen's Park office. It contains information which is false in relation to some programs that have been introduced, and I am asking that you investigate this. This information contains lies. It is your duty, as the Speaker, to review the use of communications work for the members of the House, and I believe that you should undertake that investigation.

The Speaker: While I am pleased to take a look at anything which is brought to my attention, the member should know that she has not demonstrated any loss of her privileges as a member. At the same time—

Interjections.

The Speaker: Would the member take her seat, please.

Interjections.

The Speaker: I draw the member's attention to another matter, that it is not appropriate to accuse a member in the House of lying. We have gone over this ground on other occasions. It was necessary to make a statement to the House to that effect. Members should know that it is not appropriate, and I would ask the member to withdraw an accusation in the House of a member lying.

Mrs Sullivan: I will withdraw those words and substitute for them the words of another member. Those statements are unfounded and not true.

The Speaker: That is all that is required. At the same time the member should know that while I am pleased to take a look at any material, things which occur outside of the chamber, outside of the precinct, are not within the purview of the Speaker. None the less, I will take a look at the information you have presented.

INTRODUCTION OF BILLS

NIAGARA ESCARPMENT PROTECTION ACT, 1991

LOI DE 1991 SUR LA PROTECTION DE L'ESCARPEMENT DU NIAGARA

Mr B. Murdoch moved first reading of Bill 167, An Act to revise the Law Relating to the Protection of the Niagara Escarpment and the Surrounding Wetlands / Projet de loi 167, Loi révisant la Loi concernant la protection de l'escarpement du Niagara et des terres marécageuses environnantes.

Motion agreed to.

Mr B. Murdoch: The bill repeals the Niagara Escarpment Planning and Development Act. The bill provides for the designation of a natural area which would be limited to the Niagara Escarpment and its surrounding wetlands. Development in the natural area is prohibited unless approved by the municipality and the assembly. Changes to the boundary of the natural area shall be restricted to those changes that are necessary in order to respect changes in the natural boundaries of the escarpment and surrounding wetlands. The changes to the boundaries must be approved by the municipalities affected and the assembly.

PAY EQUITY AMENDMENT ACT, 1991

LOI DE 1991 MODIFIANT LA LOI SUR L'ÉQUITÉ SALARIALE

Mr Mackenzie moved first reading of Bill 168, An Act to amend the Pay Equity Act / Projet de loi 168, Loi modifiant la Loi sur l'équité salariale.

Motion agreed to.

Hon Mr Mackenzie: The bill establishes two additional methods of determining whether pay equity exists for a female job class, the proportional value method and the proxy method. The bill states the circumstances in which the crown is considered to be the employer of an individual for purposes of the act. The bill provides that when an employer sells the business, the purchaser assumes the employer's obligations under the act. There are a number of other housekeeping amendments.

PUBLIC SERVICE STATUTE LAW AMENDMENT ACT, 1991

LOI DE 1991 MODIFIANT DES LOIS EN CE QUI CONCERNE LA FONCTION PUBLIQUE

Mr Silipo moved first reading of Bill 169, An Act to amend the Public Service Act and the Crown Employees Collective Bargaining Act / Projet de loi 169, Loi modi-

fiant la Loi sur la fonction publique et la Loi sur la négociation collective des employés de la Couronne.

Motion agreed to.

Hon Mr Silipo: This bill provides that individuals become public servants, civil servants and crown employees only by express appointment to such and that only employees of designated crown agencies will be eligible to be crown employees. Similar provisions apply amending the Crown Employees Collective Bargaining Act. As I indicated earlier, the introduction of legislation to implement proportional value and proxy pay equity methods will resolve the need for government-as-employer litigation as a means of achieving pay equity.

ORDERS OF THE DAY

1554

LABOUR SPONSORED VENTURE CAPITAL CORPORATIONS ACT, 1991

LOI DE 1991 SUR LES CORPORATIONS À CAPITAL DE RISQUE DE TRAVAILLEURS

The House divided on Ms Wark-Martyn's motion for second reading of Bill 150, which was agreed to on the following vote:

Ayes—82

Abel, Bisson, Boyd, Brown, Buchanan, Caplan, Carter, Charlton, Christopherson, Churley, Cleary, Conway, Cooke, Cooper, Coppen, Curling, Dadamo, Drainville, Duignan, Elston, Fawcett, Ferguson, Fletcher, Frankford, Grandmaitre, Grier, Haeck, Hampton, Hansen, Harrington, Hayes, Henderson, Hope, Huget, Jamison, Johnson, Klopp, Kormos, Lankin, Lessard, Mackenzie, MacKinnon, Malkowski, Mammoliti, Mancini, Marchese, Martel, Martin, Mathysen, McClelland, Miclash, Mills, Morrow, Murdock, S., North, O'Connor, Offer, O'Neil, H., O'Neill, Y., Owens, Philip, E., Phillips, G., Pilkey, Poirier, Poole, Pouliot, Rizzo, Scott, Silipo, Ward, B., Ward, M., Wark-Martyn, Waters, Wessinger, White, Wildman, Wilson, F., Wilson, G., Winninger, Wiseman, Wood, Ziemba.

Nays—18

Arnott, Carr, Cousens, Cunningham, Eves, Harnick, Harris, Jackson, Jordan, Marland, McLean, Murdoch, B., Sterling, Stockwell, Turnbull, Villeneuve, Wilson, J., Witmer.

Bill ordered for standing committee on finance and economic affairs.

PARLIAMENTARY LANGUAGE

Hon Mr Wildman: On a point of order, Mr Speaker: I know it is quite out of order for an interjection to take place during a count, but I want to draw your attention to the intemperate remark of the member for Markham with regard to the member for Sault Ste Marie. I believe he used a term which was unbelievably unparliamentary.

Interjections.

The Speaker: Order. First, the member for Algoma is right. The Speaker should not interfere in the midst of a

vote either. Second, however, I did not hear the remark to which he refers.

I ask that the member for Markham, if indeed—
Interjections.

The Speaker: I ask the House to come to order, please. If the member for Markham indeed did make a remark which was unparliamentary, perhaps he would stand and withdraw that remark.

Mr Cousens: Mr Speaker, in the spirit of the Christmas season, if I was offensive in any way, I withdraw it, although my heart says otherwise.

1600

Hon Mr Wildman: The term was "slime bucket."

The Speaker: In fact, the member has now drawn to the attention of the Speaker and the House the very term to which he took offence, and the member for Markham has in fact withdrawn, which is the appropriate thing to do.

House in committee of the whole.

LABOUR RELATIONS AMENDMENT ACT, 1991

LOI DE 1991 MODIFIANT LA LOI SUR LES RELATIONS DE TRAVAIL

Consideration of Bill 158, An Act to amend the Labour Relations Act with respect to the Industrial, Commercial and Institutional Sector of the Construction Industry / Projet de loi 158, Loi modifiant la Loi sur les relations de travail en ce qui a trait au secteur industriel, commercial et institutionnel de l'industrie de la construction.

The Second Deputy Chair: Would the honourable parliamentary assistant to the Minister of Labour have some opening remarks on third reading of Bill 158?

Ms S. Murdock: We are proposing three amendments.

Mr Offer: On a point of order, Mr Chairman: On this particular bill I think your opening comment was whether the parliamentary assistant has anything to say on third reading. Are we in committee of the whole House, or are we on third reading?

The Second Deputy Chair: We are in committee of the whole. The honourable member must speak to a specific section when we go into committee of the whole House.

Ms S. Murdock: Do you want the opening remarks on the specific section, Mr Chairman?

The Second Deputy Chair: Yes, please.

Ms S. Murdock: Which section are we on, Mr Chairman?

The Second Deputy Chair: We are on section 1.

Ms S. Murdock: Then I have no comments to make and I will wait to hear what the opposition has to say.

Mr Sterling: On a point of order, Mr Chairman: I am not quite certain whether the parliamentary assistant has amendments to introduce.

Ms S. Murdock: None.

Mr Sterling: She does not have any amendments to introduce. It is quite common that if people have general remarks to make, sometimes they make them around sec-

tion 1. Anybody wanting to participate in this debate may make remarks on section 1.

The Second Deputy Chair: On section 1, yes, because we will be addressing section 1 specifically.

Mr Offer: On a point of order, Mr Chairman: Our understanding was that as we dealt with this bill, which we recognized must be dealt with as expeditiously as possible—we have said that from day one—as we went through committee of the whole House and then into third reading, there might be some opening comments made by either the parliamentary assistant or members of the Legislature so that this piece of legislation could start moving along.

The Second Deputy Chair: It is now in committee of the whole House. We have had second reading and it is customary to address generally in second reading. In committee of the whole we will be addressing the specific items within Bill 158. We are now addressing section 1 of Bill 158. Any general comments on section 1 can be entertained now and then we will proceed with the formalities to approve section 1 or otherwise.

Mr Offer: As I indicated earlier, there are a number of people in the construction industry who are looking very closely at this debate. They have recognized the concern we from the official opposition have had, that the government would not introduce this particular piece of legislation until very late in the session.

Notwithstanding the fact that it introduced this piece of legislation late in the session, we met with a number of people who are concerned about the bill, not about its substance—they were in favour of its substance—but rather to make certain this bill could be passed as early as possible.

I had spoken with them. I was aware of this piece of legislation. As the Labour critic for the official opposition, I caucused it with members. I believe Hansard will show it was only myself who spoke on second reading. Not only was it only myself, but we spoke fairly briefly on this bill. We did so because we wanted the bill to pass. We still want the bill to pass. We had great concerns with the way the Minister of Labour, who could have brought forward this piece of legislation much earlier on, failed to do so.

The Second Deputy Chair: We are on section 1, please, I want to remind the honourable member.

Mr Offer: I am moving to the point I wish to make.

We were ready to move with this bill. The Minister of Labour knew this issue was crucially important. It was not surprising. It was an issue the construction industry knew existed and had shared that information with the ministry. This was the subject matter of a report. The issues were very clear. The way in which the issues could be addressed were very clear.

We waited and waited for the minister to introduce legislation. The minister did not introduce legislation, I believe the record will show, until November. We sit here but four weeks later. Mr Chair, I thank you for your indulgence in my making this point of order. We sat here waiting for the Minister of Labour to introduce that piece of legislation. We waited and waited and the minister still did not introduce it. Mr Chair, if I may for just one moment,

when he did finally introduce the piece of legislation, we spoke very briefly and concisely to the point, in support not only of the legislation but indeed of its passage. Mr Chair, in keeping with the intent and hope of the official opposition for passage of this legislation, I ask, that this matter be now moved into third reading. I ask that the committee rise and report.

1610

The Second Deputy Chair: There is a motion before the committee of the whole that the committee rise and report. Are we reporting progress or are we reporting the bill?

Mr Mancini: Reporting the bill.

The Second Deputy Chair: In committee of the whole it is traditional and customary that we deal with sections one at a time. We have not dealt with the sections.

Mr Sterling: On a point of order, Mr Chair: I believe the motion is out of order in that we are in the middle of the process. If we rise and report at this stage, we are going to be back in the committee of the whole House tomorrow on the same bill.

The Second Deputy Chair: In view of the fact that it has been moved that the committee rise and report the bill, shall sections 1 to 6 be approved?

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Sections 1 to 6, inclusive, agreed to.

On motion by Ms S. Murdock, the committee of the whole reported one bill without amendment.

LABOUR RELATIONS AMENDMENT ACT, 1991

LOI DE 1991 MODIFIANT LA LOI SUR LES RELATIONS DE TRAVAIL

Mr Buchanan, on behalf of Mr Mackenzie, moved third reading of Bill 158, An Act to amend the Labour Relations Act with respect to the Industrial, Commercial and Institutional Sector of the Construction Industry / Projet de loi 158, Loi modifiant la Loi sur les relations de travail en ce qui a trait au secteur industriel, commercial et institutionnel de l'industrie de la construction.

Mr Offer: I am pleased to rise and speak on Bill 158. This is a very important bill. It is one that was introduced, I believe, by the Minister of Labour not more than four weeks ago. The construction industry is very concerned about this particular piece of legislation, concerned that it will not only be brought forward to this Legislature and fully debated but hopefully passed in the time permitted.

Let me briefly go through what the bill entails. Basically, what we are talking about is three changes to the Labour Relations Act as it applies to the industrial, commercial and institutional sector of the construction industry.

The first change within the bill deals with extending the contracts from their current length of two years to three years. As was indicated, provincial agreements now run in this sector for a period of two years. This bill proposes an amendment so that those 20-odd provincial contracts would have an existence of not just two years but three

years. That is an important change to the status quo. It is important because the sector has found itself almost in a continual bargaining process. When you have a contract that has an existence of two years, it seems that by the time you have negotiated one end of one contract you are starting the negotiations for the next two-year contract. They have found that does not promote a healthy sector.

Second, it is clear there is no question this would provide a stability that does not exist at this point in time to the ICI sector. That is because we are dealing with two-year contracts that always seem to be in some form of bargaining, one way or the other. A three-year contract adds of course another year, but also adds a great deal of certainty and stability to a very important aspect of our province and to an industry within our province.

The second aspect of the bill talks about the creation of a secretariat. This particular area could use a secretariat that would in many ways form a central body to administer the collection and analysis of construction collective bargaining data and the collection and analysis of other relevant industry data to further enhance province-wide, single-trade bargaining. This is important. This is an area that requires ongoing analysis, ongoing examination and ongoing relooking as to what is happening, why, and how it can be enhanced.

To date, there is not that central body to do that work. This piece of legislation would in effect create a secretariat. That secretariat would be charged with the responsibility of collecting data, of learning more about the whole collective bargaining process, some of the issues and aspects within it, and I believe make for a more healthy, more vibrant, more consultative, more co-operative ICI sector.

The third area is, when ratification votes are taken, how they are announced. Currently there is a need, and this legislation will address this need, to ensure that no member of a bargaining unit has knowledge of the outcome of voting already conducted elsewhere in the province by the agency concerning the ratification of a provincial agreement.

Let me go into that in a little bit of detail. The way in which ratification of a provincial agreement may take place is by different regions. One region will vote yes or no dealing with the ratification of a provincial agreement. The votes will be counted and the votes will be announced.

1620

People watching in this Legislature and through the TV may say: "That sounds right. You vote, the vote is counted and the vote is announced." However, the problem we have in this sector is that the voting takes place in different regions and not at the same time. What has developed is that the ratification voting in one region may take place on one day, with votes counted and announced, but the voting on the same agreement in another region may take place on another day at another time.

The problem clearly is that the people going in to vote yes or no on a ratification in one region may very well know and will very well know what the outcome has been of a vote on that contract in another region. The concern is that it may have some bearing on how somebody votes and

may in no small way really just not feel right as to how voting should take place.

The question is that if voting is to take place by region on a contract for ratification, that vote can take place very much at different times in different areas, but the announcement of how the vote has been held will not be so announced until all regions have voted.

Clearly, what we are talking about is a principle founded on common sense. One does not announce the outcome of a vote on the same matter in one region before another region has voted. It is something that is understandable. It is something that is absolutely agreeable.

Those are the three areas that are dealt with in the bill. On second reading, as Labour critic I spoke for my caucus in support of the bill. We thought it was an important bill. These are not minor changes, though they may have been alluded to by others as minor changes. These are what I feel are important changes. These are changes that extend the length of the contracts by one year, from two years to three years, thereby building in a stability that is not in existence now.

Second, it creates a secretariat that will be there to analyse a whole variety of data to better aid in the collective bargaining process. That is not there now. I believe through these amendments it will be there and I believe it will be beneficial to the sector.

Third is a certain injection of common sense into the voting by region, which is not there but which will be when this legislation is passed, not minor changes but important changes, not insubstantial changes but substantial changes, not changes that can wait until tomorrow but changes that I and my caucus believe must take place immediately.

I spoke about this in some detail on second reading. At that time, I indicated a great concern that I and my caucus had with the actions of the Minister of Labour and in fact with the government. Why? The answer is that these three areas are not new. These three areas addressed by the Legislature do not come as a surprise. These are areas that have been dealt with through a report. These are areas that have been looked at in great detail, but these are areas that could only be remedied if the Minister of Labour stood up and introduced some legislation.

My concern was that the Minister of Labour waited and waited to introduce, in our opinion, these very important pieces of legislation. I spoke with representatives of groups directly affected by these changes. What did they say to me? They said, "Steve, we want you to do what you can to make certain this bill passes as soon as possible." I think some of those people who met with me are probably watching through their televisions, and they were helpful.

I said: "Tell me a little bit about this bill. Tell me a little bit about what these changes mean to you. Tell me what the changes are. Tell me what the ramifications of those changes would be." They sat down in my office and shared with me, in an informal yet very informative way, their sense as to this. I said: "You have me convinced. I don't see, I don't hear, I haven't received, any opposition, any concern."

We caucused the bill, as is our right, responsibility and indeed our obligation. We discussed this bill, and we as a caucus were very much in support of it and we waited for this bill to be brought forward to the Legislature. This was not an aspect where the government was going to meet with opposition. This was an area where the opposition was prodding the government to move, to deal with the issue, to listen to the people who are affected. We tried, but no, the government sat and sat.

Mr Speaker, as a distinguished member of many years in this Legislature you will know that to be talking about third reading of a piece of legislation just four weeks after its introduction is incredible. It shows a willingness not only on the part of the opposition but also on the part of the third party to deal with this bill as expeditiously as possible.

Who was holding it up? Who was holding up this government legislation? It was the government. We wanted to deal with it. What more can we do but speak in this Legislature in support of this legislation, saying to the parliamentary assistant, whom I see here, to the Minister of Labour and to the members of the government: "Listen to us: We support the bill. We support the changes. We want the bill passed. This sector will be best served in its passage?"

What happened? Nothing. No action. The opposition, the third party, were moving the government to act. My goodness gracious, it was like trying to move a building with a crowbar and pushing and pushing. I am saying there are people out there who need this bill passed by the end of December.

Mr Hope: Then wipe the sweat off your forehead and sit down.

1630

Mr Offer: A member from the government party is interjecting—not from his seat, mind you. The member for Chatham-Kent, if I recall correctly, says: "Sit down. Stop talking about the bill." I remind the member for Chatham-Kent, who moves with the speed of a glacier, a glacial velocity which is very representative of the government and of the ministers who comprise the government, that with regard to this bill which today was to have gone through committee of the whole, it was us who made the motion that we take it out of committee of the whole, that we deal with the bill on third reading and that we move the bill along.

I also remind the member for Chatham-Kent that as we do that, as we implore the government to chip away at its glacial-type activity, as we ask the government to move forward in areas that require movement and as we implore the government to deal with the issues of the day, it was the opposition and the third party that were pushing the government, that took the crowbar against the building referred to as the Minister of Labour, to push the Minister of Labour along with this piece of legislation.

That is where we stand today. We know, as members of this Legislature, that this particular province has gone through not only a slowdown in the economy and not only a recession but also a very slow, tedious recovery that

many people within the construction industry severely and directly felt and have been impacted upon by. And not just them; it has had a spinoff effect on those areas in the economy from which people employed in the construction industry purchase.

We all know what that spinoff is. Every member in this Legislature is aware of what that spinoff is, and all the people watching on television know what that spinoff is; that is, when a person is out of work, not only does that person directly feel the impact of unemployment but so do a whole variety of people who would otherwise supply goods and services to that person, because that person will not buy. That person will not purchase goods. That person will not purchase services. Those people are also affected. Then the people who provide goods to those people and services to those services are also affected; spinoff, implication, ramification, on and on it goes. We all know that.

In this province we have lost 300,000 jobs—maybe more—in probably the last year and a half. Can we imagine what that means? I think all members of this Legislature are aware. I think when they have their constituency meetings they are reminded day in and day out, week in and week out, what the impact of the recession means to the people whom they have been elected to serve: people who are out of work, many for the very first time in their lives; people who truly feel a reduction in the options they have. It is not that they are out of work because the company has slowed down and will, when the economy picks up, start to rebuild and rehire. It is people who are out of work because the company has slowed down, shut down, closed down and disappeared. They cannot wait for their company to recall. There is not going to be any recall, because of the fact that the job they have had for 10, 15, 20, 25 years is gone. The company is gone. We have to ask ourselves, where is that person going to go? What type of option does that person have? Those are some of the real issues in the recession. We are not talking just about somebody who is laid off and who is going to be called back; we are talking about people whose place of work no longer exist, and that is very, very sad.

The construction industry has been hard hit by the recession. We all know what has happened to construction in the residential and industrial sectors. We know the vacancies that exist in commercial areas, certainly in the greater Toronto area. We know of the empty office spaces. We know of the lack of housing starts. We know what that means. We know about apartment buildings and units—vacant. Is this Ontario in the 1990s?

We have gone through a tough time. Certainly we have felt the slowdown, we have felt the recession and we now recognize—there have been reports issued as early as this morning talking about the fact—that the recovery is not going to be large. It is not going to be a vigorous economy. It is going to be a slow-moving economy.

The government of the day may do what we on this side see it do each day; that is, wringing their hands and saying: "My goodness, what a problem, what a tragedy, what a difficulty. My goodness gracious, as the province of Ontario it is our duty, it is our obligation, it is our responsibility to find whomever we can blame." So what do we

see? We see the government members, at a time when leadership and action are necessary, shuffle and ruffle and wring their hands and blame Brian Mulroney and blame the Conservatives in Ottawa and blame everybody else for all the ills that have befallen Ontario.

I want it to be clear that I do not take Brian Mulroney off the hook, but I also want it to be very clear that we on this side of the house, and I believe probably the backbenchers on the government side, though they are very quiet—

Mr Mammoliti: We're busy.

Mr Offer: Oh, and the member for Downsview says they are very busy. I know what they are probably doing behind their closed doors in their caucus is saying to the Premier or to the ministers: "It isn't enough to wring your hands. It isn't enough to blame the federal government. It isn't enough to look at your problems and say they have been caused by someone else. My area is being very badly hurt. We want action."

They would not say that publicly, but I know that if their constituencies are anything like mine, if their constituencies have felt the ravages of the recession as mine have, then they will have done that. If they have not done it, then I believe they are doing a disservice to their constituents.

It can be seen through the questions we ask each and every day. If it is not on the integrity of the government, then it is on what this government is doing in terms of economic action. What is this government doing to send out a message that this is a place to invest in? What is the government doing to send out a message that this is a place that can create wealth, that can create jobs?

We ask questions. Today the Premier was ready to read in response a newspaper report on the fate of GM. Action like never seen before: The Premier of the province ready to stand up and read—

1640

Mr White: On a point of order, Mr Speaker: With all due respect, General Motors and the overall situation in our province are not the point. It is Bill 158.

The Deputy Speaker: Thank you. The member for Mississauga North.

Mr Offer: I am glad to get the attention of the member for Durham Centre because I think his riding and the people he has been elected to represent will be very well aware of what it means if there is any cutback in GM, if there is any area in terms of spinoffs that will directly affect his riding.

If the member would care to read the legislation to which I am directing my attention, we are talking about aspects and embellishments to the Labour Relations Act which will provide a certain stability for the institutional construction industry. We know that is necessary but we cannot just leave the bill without recognizing there is action required by the government which has heretofore not been in existence.

We need action. We need a government in Ontario to stand up and say what it is going to do to create wealth in this province, what it is going to do to create jobs in this province, what it is going to do to send out a message to

people, not only within this province but outside the province, that this is a place to invest.

We want to talk to that small business entrepreneur, the young man or woman with a little capital, either in terms of cash or intellect, who is looking to set up a business, looking to create a job. They are taking a look at a whole variety of factors as to where they are going to locate, and we want to make certain they locate in this province.

But we do not see that. What we see is people leaving the province. What we see are the wrong messages being sent out by government. What we see is the message to business that we in many ways do not care; that is not our agenda.

I have some suspicions as to what the government's agenda is, but I know I have to deal directly with the bill at hand, so I cannot in any way, shape or form deal with the suspicions I have.

Mr Stockwell: Go ahead.

Mr Offer: I seem to be encouraged to do so, but I know it is important to stay on the Labour Relations Amendment Act of 1991.

The member for Durham Centre says: "What does this have to do with the bill? Why are you talking about the recession? Why are you talking about lack of employment? Why are you talking about people out of work?"

We are talking about it because, although we agree wholeheartedly with the bill, it is a manifestation of the inability of a government to deal with issues expeditiously when they have to be dealt with, at the time. This government had to be prodded. The government had to be pushed, prodded, moved to deal with three amendments which the opposition parties agreed to.

I guess everybody watching TV is wondering, "Why wouldn't the government just introduce them and pass them at the earliest opportunity?" They did not. We do not know. Everything that this government attempts to do has to be done and pushed along with incredible commitment on the part of the opposition.

I know you are now reading the bill, Mr Speaker. I think that is quite important. You and I were first elected in the same election in 1985, if I recall correctly, and I know of your great concern about the recession and what it means to your constituents. We all know what it means to every particular riding.

In this bill, as I was indicating earlier, three things happened. The first is, the agreements of two years' duration are expanded one year to three years. Very important. It enhances a stability—I would not want anyone to be left with the impression that I feel the market is not stable. It is, but it can be made more stable. By expanding contracts from two to three years, we achieve that.

Another area is the secretariat. Those who spoke to me know that this was probably a concern I had. I had a concern as to how this secretariat would be funded. I had a concern as to whether there was total and full agreement on this issue—not on the need for data analysis, that is clear—but on the way it is going to be funded.

Those who spoke to me realized I had a concern about that. They convinced me—and I stand here convinced and

supportive—that the funding of the secretariat, though not specifically outlined in the legislation, is one about which there is, first, no suspicion and, second, agreement. As such, that area of the bill, which caused me some concern, was alleviated.

Third, the matter of regional votes, I have spoken about earlier. I bring those points up because it is clear that these issues, which were brought forward in a report—I believe it is the Adams report—earlier on, were addressed clearly in that report. So the issues were not a surprise. The issues were not something which fell down on a Monday and had to be addressed on a Tuesday.

These were matters people knew were going to have to be addressed, but the government, which could have introduced this bill very early on—and I know for a fact it could have introduced this bill earlier—refused to do so. I do not know why. I think it is probably because they were dithering about something or other. I do not know what, but I know this bill was prepared. I know they knew that we were not going to oppose it, I know they knew there was not going to be any opposition from the third party and I know they knew the people who would be directly affected by the bill were in agreement with the bill. They had all those pieces in place.

1650

Why would the government continue to dither about? Why would the Minister of Labour refuse to introduce the bill? I do not know why, but I want those who have spoken to me about these aspects of the bill to recognize that I speak in favour not only of the substance of the bill, but also of its passage. I still have a suspicion as to why the government, on an issue where everyone agreed, refused to act at what I feel would have been the earliest possible opportunity. I believe they missed that by months and so they have created a very high degree of stress in the industry.

Why, members are probably asking? If they are, I have the answer. This bill has to be passed this session, whenever this session will end, but it must be passed. This bill has to be in place when the new contracts take effect. I am not exactly certain when the new contracts take effect. The parliamentary assistant is in her seat. She may be able to correct me if I am incorrect, but I believe the new 20 or 22 province-wide contracts take effect in April 1992.

Ms S. Murdock: By September.

Mr Offer: I see her shaking her head in the affirmative so I think we are just about correct on that.

If this House adjourns without the passage of this bill, then we cannot get this bill passed in time. Why not? Because the negotiations are all starting now and those who are negotiating want to know whether they are negotiating two years or three years. That is crucially important. If the bill passes, as we in the opposition hope it does, then they negotiate three years and that whole negotiation and the aspects within the contracts are on the basis of three years.

If there is some question whether it will be in effect, then there may be no change to the existing contracts, whose length of time is two years. That is a whole different

factor. I am very critical of the government on this aspect because it did not have to do this. They did not have to create this area of uncertainty. They did not have to increase the stress and strain on those who are entering into the negotiations. This bill could have been law weeks ago if the government had had the commitment to move, but apparently it did not and so that stress, that strain, continues.

I stand here today condemning the government. I know those are strong words, but I have met with the people who are affected by this bill who are condemning the government for having caused this type of stress and strain when everybody agreed with the substance.

The members of the government side are saying, "Well, now, why would you talk about the bill?" I remind them that we, and I dare say the members of the third party, indicated at the outset that we were in favour. We were going to enter into debate on second reading. We would talk about the bill, the aspects, the substance of the bill and what is important to us. I indicated, and the member of the third party also indicated, that we would be in support of the bill.

But surely we have the right to talk about the bill. Surely our right to discuss what we believe to be an important piece of legislation would not be curtailed or eroded because the government and the Minister of Labour lacked the commitment to introduce the bill at an earlier point in time. Surely we in the opposition parties should not be the victims of the glacial movement of the Minister of Labour on such an important piece of legislation, and we will not be; he should make no mistake about that.

We spoke about the bill on second reading and we are speaking about the bill on third reading. I know a lot of the members of the government have been elected for the first time, but I also know that in their year and a half of serving on the government side—as we all know, the count-down has commenced. They know what committee of the whole is all about. They know that is an important stage in the evolution of a bill into law. They know that is within the rules of parliamentary procedure. It is something that is inherent in the democratic process. It is something that is available to all members of the Legislature—opposition, third party and government alike. Many times when we go through the committee of the whole process, the government takes part by introducing amendments.

When we were dealing with another piece of legislation, Bill 70, the wage protection legislation, the parliamentary assistant to the Minister of Labour, the Labour critic for the third party and I dealt with that committee of the whole process. Amendments were introduced, but all three parties and sides of the House attempted to make the bill as good as it possibly could be.

I will not deal with the wage protection legislation in any detail, because I still believe the government missed a very important opportunity to send out a very positive message to small, middle-sized and large businesses alike. It has fumbled, tripped and in a very direct way continued that negative message about Ontario and business. It used to be that we looked at the word "Ontario," at the word "business" and at the word "jobs" and they all seemed to flow nicely, co-operatively together. Now it just does not

seem to fit. The fit is not right. There seems to be a grinding.

The words "Ontario," "business" and "jobs" do not fit right any more. They grind together. There is a chipping away. Many people are the victims of that grinding and erosion, and that has to stop. The government had an opportunity to deal with that in the wage protection legislation and failed. We tried, but the government failed. They have that big majority that can run roughshod over anything in this Legislature and they did it. They rolled up their sleeves and said, "We're going to allow the grinding and the erosion to continue."

Though we attempted to do what we could, we recognized that we also were going to be victims of this government's very interesting view of how the words "Ontario," "business" and "jobs" fit. Those who are out of work know that the actions of the government in trying to make those three aspects fit have been a failure.

We are in a very tough time in our existence. We have tremendous opportunities, though we have a government that is looking at the negative all the time. We have tremendous opportunities here, if only the government would talk about what it can do, not about what the federal government does not do, but what the province and the government of Ontario can do.

We are a big province. An example is this bill. This bill is an example of the opposition, the third party, saying to government, "We're going to stand with you on this bill; just do it." We waited and waited and waited and waited—I apologize to Hansard for that—and finally the government brings it forward, but not until after some very tough work on this side of the House.

1700

This bill must, and hopefully will, in our opinion, be passed. There are other matters in this Legislature which are of great concern to members of the opposition and the third party. There are matters which people recognize are going on in this Legislature which are at the very root of the integrity of this system. We know that. We recognize that this bill on its own is important. We recognize that the substance of the bill is important. We recognize that this is not a minor piece of legislation. We recognize that when the negotiations are commenced, probably very early in the new year, those who are sitting down at the table must know whether they are negotiating a two-year contract or a three-year contract. That is why this bill should pass. They have to know that they are talking about a three-year contract. They have to know there is going to be stability in this province in this area.

I alluded to the committee of the whole because there were members of the government side saying, "So why do you talk about the bill?" I spoke about second reading, about our speaking about the substance of the bill, which is our right; talking about whether we are in favour or against the bill, which is our right; talking about the reasons for our decision, which is our right; talking about our efforts, through agreement, to pass the bill, which is a courtesy; talking about our motion to move this bill out of committee of the whole, to start dealing with it on third reading, to again show to the government we want to deal with the

bill, to again show to the government that this bill should not have been as other aspects of its agenda are, the result of dithering, discussion and inaction at a time when action, commitment, determination and effort are required.

Three hundred thousand people in this province have lost jobs. Hundreds of thousands are not going to be called back to the places where they were employed before. They have to look to new places. There are requirements and responsibilities for training. There is a responsibility on government to expand the options of people, to say to those men and women: "You have a variety of options. Your children will have a variety of options of employment. This is a place and a province where you can live, where you can work, where you can succeed, where there is an optimism and a confidence." In the bad times it is even more important for governments to say, "We know it's bad times, but we are working to make it better."

All we hear from the government day in and day out is, "Yes, it is bad times and we want the federal government or we want the municipal government or we want some other government to make it better, because these bad times are not the fault of the provincial NDP government."

It just does not hold any water. It just does not hold true. The fact of the matter is that the government is causing a great deal of problems not only with an agenda—I am kind to use the word "agenda," but I will use that word. Those who are concerned with the direction of the provincial government would probably say that for me to say this government has an agenda is unparliamentary. They would say: "Don't ever speak about this government having an agenda for action, because that is just not true. It is unparliamentary. Talk about a government that is wringing its hands. Talk about a government that blames others." That is what people are doing in this area.

This bill is an example of where the opposition, and the official opposition, has I believe provided the route for a government to follow. I do not know what the government would have done if it had anticipated opposition by our side of the Legislature. I do not know if it would have even had the capacity to introduce the bill.

We have to ask those very tough, straightforward questions because in this example we had a bill, important in its substance, important in how it was going to impact and affect and resolve the issues at hand, approved by those people who were going to be directly affected by the bill and approved by the opposition parties. Still the government refused to act until very late in the day. They refused to act. I do not know why.

I do not see the reason why—unless the government is encased in a basin of cement that it just cannot extricate itself from—it is so afraid to act, it is so afraid to deal with the issues of the day. They are so afraid, maybe incapable of addressing the challenges of the day, that they cannot introduce a piece of legislation when opposition has even said they have approval.

We are in support of this piece of legislation. We are in support of its quick and speedy passage into law. We recognize the importance to those negotiating province-wide contracts, the negotiation of which will probably commence in January 1992, to be aware and to realize whether

they are negotiating a two- or a three-year contract. That is important.

Those are the areas, one of which is addressed in the bill. We are in support of a secretariat that will help out in ongoing collective bargaining analysis and data examination. We are concerned about how that secretariat is to be funded, but on the basis of representations made to me by those who are affected, I am ready to put that concern aside. I am ready to say pass the bill.

1710

Certainly, we of the official opposition are in support of making certain that the voting results are not released until all regions have cast their ballots, that voting results for one region will not be released until the voting has taken place in all regions. There are three areas dealt with in the legislation, three important areas, three substantive areas, three areas that build a greater stability into an important sector of our economy. I hope the government is ready to deal with this issue.

We have done everything we can through our speeches on this piece of legislation, which is our right. Members should not let anyone try to say that for some reason it is irresponsible to speak on a piece of legislation, even a piece of legislation they agree with. That, I believe sometimes, is even more important. We still have to tell the people. We still have to have recorded in Hansard, in my opinion, the position we have on any one particular piece of legislation and the reasons for it.

Our party, the official opposition, has always stood in support. We have recognized the need. We want to do whatever is required to make certain that this bill becomes law. We have made a motion to take the bill out of committee of the whole House. Clearly, we could have had all this discussion I have just had—members of the government side are probably now aware of that—in committee of the whole House.

At the end of committee of the whole, what would have happened? It is not a quiz. At the end of the day, at the end of committee of the whole, after discussion back and forth, forth and back, it would then have been reported for third reading. Then what would have happened? Debate, not obstructionist, not delaying, but rather responsible, as members of this Legislature, to use this floor and this chamber to express an opinion and the reasons why—that is what this is all about—and at the end of the day to be accountable for that which one has said and for the reasons this person has said it. That is the essence of democracy.

Members on the government side seem to have the feeling that any speech made by any member on this side of the Legislature is, first, obstructionist and, second, time-consuming. My goodness gracious, if that is not a new rule of procedure. Mr Speaker, I know you are an expert on this. That is not what this chamber is all about. This chamber is not for obstructionist delays. This chamber is for debate. This chamber is to talk about things that are important, why they are important and what moves a member to take this position or another. What moves a member to ask for changes to any one piece of legislation: That is what this is about.

I find it galling for some members of the government side to stand up and say, "How come you spoke on the bill?" as they usually do not speak themselves. They usually have one of those two-minute wrapups to criticize a member for, my goodness, taking part in debate, a full participatory role in the democratic process. That is what this is all about.

I am coming to the end of a debate here. I am coming to the end of talking about a bill that is very important and that cannot be left without congratulating the people who came to my office to share with me their position on the bill, people who took the time to say, "Steve, I want you to vote in favour of the bill and this is why." They took the time and they made the effort. They came in and spoke to me about the bill. I thank them for doing so. I thank them for coming to the office, for answering my questions in a straightforward way and for discussing some of my concerns, because in no small measure our position on this bill and our hope that it passes speedily is a result of the contribution of the people who came to my office. That is what I congratulate and thank them for. Our caucus has benefited.

Our caucus has always been 100% in support of this bill and its passage. We have done all we can to make certain it passes speedily. I remind people that I am very critical of the Minister of Labour who did not have the commitment to bring this bill forward at an earlier point in time when approval was known by everyone, so that the consternation, the stress, the anxiety of those people who have to start negotiating at the beginning of January did not have to exist.

They now hopefully recognize once more that we are in favour of the bill. We want the bill to pass. We want those agreements to have a three-year existence as opposed to a two-year existence. We want the results of regionalized votes to be released only after all votes in all regions have been taken. We see the importance and the worth of a secretariat in terms of data analysis in the collective bargaining process. That is what this bill is about. The members should not let anyone say that it is a minor piece of legislation, as some members on the government side have said. It is not. It is a major piece of legislation dealing with important areas.

We are very much in support of the legislation. We hope the members on the government side will cut the shackles from their legs and move speedily so that this bill can become law. We hope that they will throw off the burden of inaction that has befallen this government in its existence to this date in time and that they will cut away the ice that makes them the glaciers of the North American continent, because this province demands action, it wants action, it needs action. Those people who are out of work expect no less.

I and my party stand in support of this bill. We only ask that the members of the government side have the courage to stand up in favour of this legislation and say: "We want speedy passage. We're ready at long last to make a decision."

1720

Mr Phillips: I want to compliment my colleague and to say how much I hope the public out there appreciate how hard my colleague is working to get this legislation passed. As he has quite rightly pointed out, it is an important piece of legislation. The construction industry, with the hardworking people involved in it on both the employer and the employee side, is looking forward to this legislation. My colleague has worked as hard as he possibly could to bring this matter before the House in a timely manner, to indicate the support he has for it.

I simply want to say that I think he spelled out for the Legislature the need for the government to get on to implementing it. Certainly I do not think it could have been clearer, the elements in this bill that my colleague spoke about. I simply want to say how much I appreciated his comments. I hope he has been able in some small way to budge this government. I thought the analogy used of the glacier is right. What we have got to try and do is really light a fire under the government that begins to melt this inaction so we can get this piece of legislation passed, the construction industry can get on with what it is trying to do, and that is to create jobs to ensure that the working people of this province have a merry Christmas. I appreciate the comments of my colleague.

Mr Elston: I have been able to be here and listen to the member for Mississauga North and his timely interventions with respect to this piece of legislation. What has been said as well by my colleague the member for Scarborough-Agincourt has indicated that quite clearly the government has lost its direction, has lost its resolve. In fact, it would be helpful if my colleague the member for Mississauga North could add in his windup remarks how he thinks the inaction around the introduction of this bill into the House has affected or perhaps impeded the development of an overall economic strategy for the province.

I understand that the bill itself, while it speaks to the construction industry, does not per se talk about economic planning. But it is extremely clear to me that as this government brings, bit by bit, pieces of its ideological format in front of this House, it either offends or in fact assists it in developing an overall economic strategy that was so eloquently spoken about by the Premier when he came to this House as we began this session in September.

From my point of view, the honourable member for Mississauga North, as he rose and talked about the inability of the people to get on with their jobs, to plan their lives, to get the construction going, to get more jobs put in place for the people of the province, has rightly identified the frustration with which this province is faced when this government is unable to administer in any sensible way and in any planned way a re-emergence of a dynamic Ontario economy.

If I might say, my colleague has done a service again for the population of the province by intervening in the way he has in this bill and will I think only rightfully be able to carry on with—

The Deputy Speaker: Thank you.

Mr Elston: I am sorry. I am out of time.

Mr Offer: I would like to thank my colleagues the member for Bruce and the member for Scarborough-Agincourt. As I indicated earlier, we have attempted to impress upon the government the need for this piece of legislation. We stood in support of this legislation. We have done everything we can do to make certain that this legislation passes. But it is very clear that the government seems to be shackled, handcuffed, in a whole area of inaction, inability, lack of commitment, lack of determination, lack of effort. There is no co-ordinated approach this government is taking with respect to building wealth in this province, with respect to creating jobs, with respect to making certain that people want to invest in this province. This is clear by the lack of action. It is clear that the government just seems to be awash in what to do.

They are clear that they can, without any problem, say their problems are caused by the federal government, their problems are caused by a municipality or regional municipalities, but this bill is clear in that we are doing all we can to make certain it becomes law. We have taken every action to prod a government which has without doubt been characterized, and rightly so, as a government encased in cement, shackled, handcuffed, unable, unwilling and not committed to act. We are hoping by this bill and through our support that this will in fact become law.

Mrs Witmer: To show the genuine commitment of the Ontario Progressive Conservative Party to Bill 158, I want to promise at this time that my remarks will be shorter than those of the opposition. I want to make sure we do everything possible to ensure the quick passage of this bill.

I have had the opportunity to meet with all the individuals who are impacted by this legislation. I know that because of the government delay in bringing this bill forward in the first place, and now again for committee of the whole and third reading, it has created undue stress for all those individuals. I am very concerned by the lack of government commitment to this piece of legislation.

I regret that it was not brought forward at an earlier time in order that those individuals who are going to be impacted by this bill could have been assured that the legislation would be passed. I want to assure all of the people in the construction industry that our caucus has done everything possible to ensure very quick action on this bill and we are prepared to move it this evening.

This bill has tremendous impact for many people in this province, and at this time I want to just mention how very important the construction industry is to this province, and not only to this province but to the entire nation of Canada. It is of tremendous economic significance to this province.

During 1990, the total value of construction purchased in Ontario was \$40.2 billion. This accounts for about 38% of the national total. You can see how very important this industry is in the province. Expenditures for construction in the industrial, commercial and institutional sector of the Ontario construction industry were \$11.2 billion. This represents 28.1% of the total value of construction in the province, and in 1990 there were 291,000 individuals who were employed in construction occupations in Ontario.

These are the people who were going to be impacted if the government had not finally agreed to bring forward this legislation today. Almost 300,000 individuals in this province were going to be impacted. That is 5.9% of the total number of people in this province who were employed. I think that gives some idea of how very important the construction industry is to this province.

As I have indicated, I am concerned and our party is very concerned about the slow movement on the part of the government in bringing this bill forward originally. I know it only came forward in the first place because of the prodding from both myself and the opposition critic. We had met with those employees and those employers who wanted the legislation passed and they had indicated to us the need for urgency, the need for haste, because the present agreements expire in April 1992 and the next set of agreements are going to take effect May 1, 1992.

1730

Now that we have Bill 158, let's take a look at the substance. There are three amendments, and these are amendments to the Labour Relations Act. The first thing this bill is going to do—and we are very pleased that this is going to happen—is that agreements from now on are going to be three-year agreements instead of two-year agreements. As I have indicated, they will take effect in May 1992 and will expire on April 30, 1995. This agreement is going to provide much-needed stability for the construction industry. It is going to encourage construction starts and it is going to allow that industry an opportunity for some longer-range planning. We are certainly in very full and total agreement with the three-year agreement because we recognize the nature of the construction industry and also the very important and very significant role that it plays in this province as it contributes to the economy.

Second is the amendment that refers to the announcement of ratification vote outcomes. We know that when ratification takes place, there is balloting in many regional centres across the province. Before this time, if one region completed its voting before another region, the potential existed for the outcome in one region to impact on another region because the results of the voting were released. This proposed amendment is going to prevent that situation from arising. No one is going to be able to influence voting in another area, because no ballots are going to be counted until all the ballots have been cast across Ontario. There will be no premature disclosure of results, all voters are going to be protected and it is going to be much more fair and much more democratic. We certainly agree wholeheartedly with that particular amendment.

The third amendment that is being introduced today, of course, is that establishing a body known as the industry secretariat. This is an agency that was identified in the Adams report, which looked into this whole area. As we know, it is going to assist both parties in collective bargaining. It is going to assist them primarily by providing economic and other information to the employer and employee bargaining agencies. It is going to establish a corporation funded by labour and management. This is a function they are going to perform.

These then are the three agreements. I believe the most important one at the present time is the three-year agreement—the need for stability, the need for security in the construction industry. We know the construction industry has suffered in this province, as we all have, and is continuing to go through the recession. Certainly our party wholeheartedly supports the three amendments and we know they are based on the recommendations made by George Adams, who reviewed province-wide bargaining. We are very pleased because of the manner in which the consultation took place. We are pleased there was consultation with both labour and management. We are pleased that both the Construction Employers Coordinating Council of Ontario and the Provincial Building and Construction Trades Council of Ontario support the amendments. As a result of their input and their discussions with the members of our party, we are very pleased today to do whatever we can to make sure this legislation is passed before the end of this week.

I want to point out to people that the proposals today are very independent of the changes to the Labour Relations Act that are outlined in the ministry's preferred options paper. The provisions that govern the construction industry constitute a self-contained code within the act, and the amendments to the construction industry have historically always been made separately.

However, I want to add that the consultation process associated with the development of this legislation contrasts starkly with the consultation process that is taking place and that will take place in the future in regard to the labour law proposals. In this instance, Bill 158 developed in a manner all legislation should develop in. It was the result of management and labour first achieving consensus on the need for change and then sitting down to take a look at the issues and decide how best, in a co-operative manner and through consultation, they could resolve the issues. How unfortunate that we have the labour law reform proposals, drafted by the Minister of Labour after consultation only with trade unions, going forward in the manner they are, in a manner where management has had absolutely no role in the development of the minister's proposals presently being circulated.

In conclusion, I would like to indicate at this time our party's sincere appreciation to George Adams, Vic Pathe, Mike Vukobras, Joe Duffy and all of those individuals, employers and employees, involved in the discussions who met with myself, who met with the opposition critic, who encouraged us to tell the Labour minister that we would support the bill coming forward and its quick passage. We thank them for the work they have done. I only say to the government that I encourage it to bring this to a vote. Let's resolve the issue before the end of this week.

Mr Elston: If I might add my congratulations, the member has been brief but to the point in indicating that it is time to get on with the economics of the province of Ontario. It is too bad we do not know exactly, as I said earlier in responding to some of the remarks by the member for Mississauga North, how this bill fits into the overall economic strategy of the government. It is of course a deficiency that this organization has, not telling us exactly

what the bills we are discussing day to day will do to assist us to recover from one of the worst economic situations I have known during my time here. It certainly is an error on the part of the Premier not to cast an overall plan around these pieces of legislation so that we can have some demonstration that this government actually knows what it is doing. How does this fit into making it more possible for jobs to be expanded right across the province?

Today I was very much frustrated by the fact that the Premier indicated he had no information—in fact, had not received any information at all—specifically about how the GM announcements made in Detroit, which can have a very major effect here in Ontario, will be dealt with by his government. There is no plan in that way of dealing with jobs and the economy. There is nothing in this bill that makes it appear there is a broader view of the world taken by the government.

The member for Mississauga North and the member for Waterloo North have taken some time during the debate in this House to set out an expression of concern that it has taken a while for this bill to come forward. While that is clearly a correct view to take, I believe it is within the mandate of this Legislative Assembly to request the representative of the government—perhaps it is the parliamentary assistant; perhaps the Minister of Agriculture and Food, who is I think holding reins over the House on behalf of the member for Windsor-Riverside, who has departed for meetings about topics unknown—to tell us where this fits into their economic strategy.

Mr Cousens: I would first like to express my very sincere appreciation to the member for Waterloo North for the leadership she has given our caucus on this bill. I think the process that was followed in the introduction of the bill and some of the methods used by the government to proceed with it were most unusual. Had it not been for the leadership our Labour critic gave us in suggesting that we proceed with consideration of the bill, in spite of the very poor guidance that was coming from the government side, I would have to say that it might not be passing as quickly in spite of the fact that the bill, as she has so eloquently described, begins to show how business and labour and government can work well together.

Establishing the secretariat to somehow bring together both sides of the issue so that there is common understanding and the building of goodwill makes an awful lot of sense. The fact that we are going to move towards three-year agreements makes an awful lot of sense. As we begin to understand what the bill will mean for the whole ratification of outcomes of different results in different parts of the province at different times, it also makes sense.

I want to thank the member for Waterloo North for the way in which she has been able to help me as a member who otherwise might have reacted far differently. She has been persuasive in showing that the benefits of the bill are very positive and that it should be supported. I have to say that her leadership, in trying to get the government to rethink its other labour proposals with the same kind of involvement from non-government sectors, makes one awful lot of sense. To the member for Waterloo North, I say to keep up the good work. She is doing a tremendous job for the

Ontario Progressive Conservative Party and for the people of Ontario.

1740

Mr Phillips: I too would commend the member for Waterloo North, who I think has done a fine job for the House in spelling out the importance of this piece of legislation to the construction industry. I think we should recognize, as she has quite well said, that here we have the employees and the employer working together. They have hammered out this agreement in a bipartite way. They have been able to look at their needs. They are recommending to the Legislature a more harmonious working relationship in the workplace. As the member pointed out, it is unfortunate that it came this late, but none the less we have a responsibility to deal with it.

Once passed, this legislation will permit the two parties to extend the term of the contract to find a way in which they will work more closely together. Many elements of the bill are a result, I know personally, of months and months of work on both sides by some very good leadership.

This province has been well served by the council that put this together, and there can be no more challenging set of negotiations that go on than the complex trades negotiations. We have many demands and many different working conditions right across the province but, in spite of that, the two sides have been able to sit down to work out an agreement and bring before the Legislature something that they are confident will work, something that they are confident will continue to create that harmonious workplace here in Ontario. I hope we are able to deal quickly with the bill and to meet their needs.

Mr Stockwell: I think the member for Waterloo North has proven to be a very clear signal in the sometimes laboured, muddled waters this Parliament has entered into on a few occasions. She has been concise, I think, not just on this piece of legislation but on much of the legislation that has come forward during this session. I compliment her on an in-depth analysis, and I would suggest a non-confrontational view of these matters. Clearly, supporting this piece of legislation shows that there is a degree of compromise and certainly a degree of understanding of the issues that we face in this province and in this House.

When the member stands up and opposes other pieces of legislation, I think it should be a clear signal not only to our caucus and the official opposition caucus, but more important to the members across the floor that it is just not a position that we take or that the member takes lightly, that a lot of thought has gone into the positioning of the issues with respect to the labour legislation and the announcements made.

I draw my mind back to the period of time when during the more controversial pieces, she was requesting impact studies of the Minister of Labour, which seemed like logical things to request. It seems to me that if any lesson can be learned from this debate, from both the opposition and the third party, it is that it is not always a confrontational approach that need be taken. Here is a piece of legislation that is adopted by all three parties, and sometimes, maybe

not at all times, but on the occasional once in a while, the government could see there are serious concerns on this side of the House and by adopting recommendations or ideas strengthen its legislation. The member for Waterloo North is a perfect example of the calm, reasoned thought this government could use.

Mrs Witmer: I would like to take this opportunity to thank those people who spoke for the past few minutes. I would like to indicate again that there is very strong support from the opposition and from the third party for the very quick passage of Bill 158. We are very concerned about the construction industry and the workers in this province and I would certainly encourage the government to move and pass this bill at this time.

Ms S. Murdock: I just want to thank the member for Mississauga North and the member for Waterloo North for their comments because they have actually done my job for me in explaining all the details of the three different sections of the proposed legislation.

In answer to some of the questions that were put forth by the member for Mississauga North, it is true there are 25 agreements in the province. The date of expiry on all 25 agreements is April 30, 1992. As has been stated by the member for Waterloo North in the House one day, those agreements should be negotiated by the middle to end of September.

This legislation therefore is really important to the outcome of those agreements, and what I think is especially important about this is that this has been worked out by the people who are actually going to be affected by the legislation. George Adams has done a commendable job in making the recommendations, and the construction industry, both employers and construction workers themselves, putting this together along with government. An economic strategy and the stability that is going to be set are also very important.

Both members opposite have clearly stated this is something we should get on with. I am going to use the words of the member for Mississauga North and I am going to agree with him that we should stop dithering and let's move.

Motion agreed to.

MUNICIPAL EMPLOYEES RETIREMENT
STATUTE LAW AMENDMENT ACT, 1991

LOI DE 1991 MODIFIANT DES LOIS
EN CE QUI CONCERNE LA RETRAITE
DES EMPLOYÉS MUNICIPAUX

Mr Cooke moved second reading of Bill 151, An Act to amend the Ontario Municipal Employees Retirement System Act and the Municipal Act / Projet de loi 151, Loi modifiant la Loi sur le régime de retraite des employés municipaux de l'Ontario et la Loi sur les municipalités.

Hon Mr Cooke: I will be very brief. I went through the amendments with the members of the Legislature when we introduced this bill for first reading. This bill actually delivers on commitments and work that has been done by the OMERS board for a number of years, much of which the official opposition would be very familiar with since a

lot of this work was done, and it was consulted with, when it was in government.

The bill will provide for 70% legislated indexation on an annual basis, which guarantees protection against inflation for the 230,000 retirees who are part of the Ontario municipal employees retirement system. It also deals with early retirements and 30-and-out provisions so that individuals will be able to retire at an earlier age.

I believe the bill will provide for some needed flexibility within many of the agencies and municipalities that deal with this pension plan. It has been supported by most people across the province and most in the Legislature.

I appreciate the opportunity to be able to proceed with this legislation today, since it is the plan of the government and the Ontario Municipal Employees Retirement Board to have these changes go into effect on January 1, 1992.

1750

Mr Elston: I would ask the Minister of Municipal Affairs if there are any people he can identify who have raised concerns about the legislation. I know we have had a number of people who have been urging this on us so that these changes can be made. Some of them the honourable gentleman has mentioned to us before when we were at another session of Parliament.

I wonder if he might underline for the public if there have been any people who have raised issues about funding, about the pension plan itself or about the issue of whether or not the *caisse populaire* program, which has been talked about by the government, is going to have any effect on any of the issues that are being dealt with here.

It is just in the sense of having a public interest in the security of the changes being made and the security of the plan itself that I ask these questions. Perhaps if we could have some sense of where those issues are in front of the House, we would be able to move on with our discussion of this matter fairly quickly.

Hon Mr Cooke: I think it is fair to say there have been some comments from some municipalities since the legislation was introduced about the additional cost because of the extra 0.5% of payroll from both the employer and obviously additional contributions from the employee.

The member for Bruce will understand and remember that these requests come from the Ontario Municipal Employees Retirement Board to the government, and we simply facilitate the changes the board has requested. The Association of Municipalities of Ontario was involved, and municipal representatives from councils are on the board for OMERS, so they were very much involved in developing the proposals and were supportive.

That is not to say every municipality across the province is thrilled about additional costs associated with improving benefits, but I would say to municipalities across the province that in this time of very difficult economic circumstances, this will allow some people to retire earlier and should provide a fair amount of additional flexibility to municipalities. I think this will be very beneficial to them in the short term, when they are trying to deal with the decrease in revenues because of the recession and other financial difficulties they have and because of the very fair

way we are going to deal with municipalities over the next few weeks.

Mr Sterling: I would not say our caucus is 100% behind all of the concepts within this legislation, but we understand the Association of Municipalities of Ontario is in favour of this bill and the municipalities pay the bills and are collecting the taxes in order to supply the pension fund associated with this bill. We understand that the rights and benefits that are being given to the former municipal employees, those receiving pensions, are roughly equivalent to many other groups who have the same kind of benefits, and therefore we will be supporting this piece of legislation.

Mr Conway: This is a very important piece of legislation that I think we should say a very few words about. Interestingly, this is one of those pieces of legislation, I would argue, that this Legislature cannot oppose, even if it chose to do so. I certainly have no intention of opposing it, though I would simply observe that one should, as a taxpayer, be very careful to read and re-read ministers' statements with respect to this kind of legislation. You would want to read it and re-read it on behalf of your children and your grandchildren, because a variety of calm assurances will be given to this Parliament like they were given to legislatures and Parliament a generation ago.

I have had some experience with a very interesting public pension fund that has become quite significant in the public domain in the last few years. I just have to recall that what the former Premier of Ontario, the long-time Minister of Education for Mr Robarts, used to say about that particular fund in the late 1960s and the early 1970s has not really withstood very much pressure and scrutiny a full generation later. So who am I to oppose Bill 151?

I would simply say that one should pay attention to what the minister has said and, 15 years from now, assess the reality, the performance, against the promise of this day, December 18, 1991. If the past record of governments in this Legislature vis-à-vis these kinds of public sector pension arrangements is any guide, a generation from now our successors in this place will be able to point to a considerable gap between the promise of today and the performance of tomorrow.

Mr Grandmaître: I would like to use the two minutes available to me to question the minister. The minister in his opening statement referred to—

The Acting Speaker (Mr Villeneuve): To be in order, you must comment on the honourable member for Renfrew North.

Mr Grandmaître: My colleague the member for Renfrew North said it was a fair bill. I do not intend to vote against the bill. We intend to support the bill. One thing I would like to add: I know that AMO and OMERS did consult and arrive at a reasonable solution, but at the same time I am a little critical that former municipal politicians who are on the board have been trying to

work out some kind of deal with AMO and also OMERS for the possibility of transferring their pensions to another pension plan.

Maybe it is a perfect opportunity to ask the minister how come active municipal politicians and former municipal politicians were excluded from this bill. I may sound parochial on this item—as pointed out by my colleague the member for Renfrew North, this seems to be a very acceptable bill—but I still question the minister on how come, if everybody was involved in the consultation on Bill 151, municipal politicians were excluded?

1800

Mr Conway: I appreciate what my friend the member for Ottawa East has said and I simply want to make the point again. I understand there has been a fair degree of work done by the government and the allied stakeholders. I make the point that this bill has real significance to the Ontario taxpayer. I repeat that I personally have stopped believing some of what I have been told about these kinds of pension arrangements, simply because the last few years have produced for me evidence that has eroded my confidence in some of the things parliaments have been told over the years. But who am I to stand in front of this train? This is a train of some considerable energy and support. I do not want in any way to discount the pension benefits of all the people who have participated in OMERS.

What I know of the OMERS plan is that it is well run and that the people who have been in charge have done, by and large, from what I know, quite a creditable job. I simply say that there are people I represent, people by the thousands in Renfrew county, who have no pension beyond the old age pension, beyond the Canada pension in some cases, and they will be expected to pay their share, both provincially and locally, of this kind of legislation and the entitlements contained within it. On their behalf, I make the point that there are significant consequences downstream from the passage of this legislation and this Parliament should not be unaware that those consequences could be considerable to both provincial and local taxpayers.

Mr Stockwell: I get the feeling that I have been jumping in front of freight trains all my life, so I guess I may as well jump in front of this one too. I have some very grave concerns, not just about these pensions but all pensions, and all government pensions. This happens to be a very good pension plan. It has been funded very well and is well run. I am not arguing that point at all. In fact, the people who run this pension plan are probably some of the leading experts today as far as pension plans and the operation of pension plans are concerned.

I think members are going to find a new debate raising its head in this province and maybe in this country and, I am not sure, maybe even around the world. I do not know their pension plans as well as I know this province's pension plans. The difficulty we are faced with is that there is a tremendous amount of money out there that needs to be committed to pension plans, and by approving agreements such as this today, the government is committing future generations to a considerable amount of money. If you look at this particular piece of legislation, you will note that municipalities have to commit some \$22 million to

this plan. We all know very well municipalities do not have a lot of money today.

Do members know what the difficulty is? It is very easy to let these things go through and not say a lot about them, because people on pension obviously have earned their pension. I am not begrudging anyone the amount of money he gets on pension or what pensions he qualifies for, but what it comes down to is that you have to have the ability to pay. I am beginning to question seriously whether the municipal level, the provincial level, the federal level and all levels are going to have the ability to pay in the next 10 or 15 years. I think we are setting ourselves up for a major fall and the bill will have to be paid by the people who follow us as taxpayers.

The argument will be put that these are accepted pensions and accepted changes because they have happened elsewhere. The difficulty with pension plans is that they are like inflation or negotiated settlements. One pension plan gets this increase and then everybody else wants that plus. It is just a never-ending race that has no finish line. The only problem with not having a finish line is that 50 cents of every buck paid into these pension plans comes from taxpayers. Taxpayers, as we will find out in the not-too-distant future, and have been finding out, are not an unlimited resource. I believe there will be a time when the taxpayers will not be able to fund the amount of money they are committing to today for some of these pension plans; maybe not tomorrow, maybe not next year, but potentially in 10 or 15 years.

I made my comments when this was announced and my comments are the same today. Time will tell how accurate my theory is on pension plans and the price of pension plans and the kind of money that is going to be needed from government to prop up pension plans. Really, with the increasing length of life today, in some cases people on pensionable incomes will start exceeding the number of employees who are in the plan and working. Those are the people who are contributing to keep that plan afloat. I think there are a lot of actuarial studies pointing out this exact fact.

I would ask the government and I would ask all municipalities, I would ask anyone who goes and negotiates to bear in mind that a lot of these changes they see before them today may seem affordable, but if they take those numbers and extrapolate them over 10 or 15 years, suddenly they are not as affordable. They have to remember when they sign a contract today not only how it is going to affect the taxpayers of the day; they have to understand how they are going to affect the taxpayers 10 or 15 or 20 years down the road. I do not honestly think that a lot of people who sign these deals on behalf of government give that as much thought as it deserves.

Mr Conway: I just want to underscore what the previous speaker has said. I do not want to prolong the debate, but I tell members that the previous speaker has made a very good point. We have another fund that my friend the Treasurer is struggling with and he is doing a good job under very difficult circumstances. But the Legislature should know, notwithstanding the good work being done by the government and by the various stakeholders, that

what Bill 151 seeks to do, under a limited and controlled set of circumstances, is to formalize indexation in the OMERS pension. Who could be opposed to that?

I do not want to go home and face the firefighters and all those other people, and that is why I say I doubt there is a Legislature which can stand in front of that train. I do not think that parliamentary body exists. I know a government of a few years ago that was stupid enough to try to stand in front of another train and was mowed down, as one could expect it would have been. But the member for Etobicoke West ought to be listened to.

This indexation, limited as it is to 70% of the CPI and all the rest of it, is potentially an enormous cost to the taxpayers. Is Chuck Magwood not down there at OMERS? I know how the fund is going to be calculated from the point of view of performing to meet these revenue expectations. My guess is that it is going to be the real estate market. I do not know very much about the real estate business, but we had better hope and pray the real estate market is going to be strong enough to carry this burden. If it is not, Bill 151, as I read it, contains some significant news for the taxpayers downstream.

I can only speak for the taxpayers of Renfrew, because, unlike their MP or their firefighter or a lot of other people, the ordinary men and women I represent in the main have no pension. They do not want to wish that on their friends who are fortunate enough to enjoy this kind of benefit, but I say again, as a legislator on this day in December 1991, we had better understand the consequences of what we want to do in this connection and what it could mean if real estate and other opportunities do not materialize to support the enormous undertakings provided for in this bill.

1810

Mrs Marland: I have to place on record my concerns about this bill. When we look at the number of people who work in different levels of government, we already know that something like 51% or 52% of the people in this country work for government. That is all levels of government, as we know it, plus government agencies, boards and commissions.

When we look at that high percentage of people who work in that kind of employment category, I would suggest to the government House leader, who is questioning my figures, that perhaps he could have his staff research that figure, but I think he will find that if you include school boards and other "government" agencies that are supported by the property taxpayers across this country, and particularly the property taxpayers in Ontario, the figure is astonishingly high.

With this bill we are talking about indexed pensions. I do not know how many pensions in the private sector are indexed, but members can be sure that the other percentage of the population which supports all pensions of all levels of government through their money out of their pockets, through their property taxes and through their income taxes, have a lot of concern about legislation that indexes pensions when they themselves are not afforded that same luxury. I agree it is a matter that has to be dealt

with very carefully, and I have a lot of reservations about a bill that guarantees indexing of pensions.

Mr Phillips: I just join the debate to say I share some of the concern of the member for Etobicoke West. I can almost predict with certainty that in about two or three years, as we in the Legislature wrestle collectively with our financial challenges, this whole issue of pensions and funding of pensions will be very central to the theme around here.

The Treasurer will know it better than anyone. I am not sure how much money the Treasurer has had to provide in the budget this year for the teachers' pensions but I suspect it is \$800 million or thereabouts, perhaps a little bit more, and more credit to them, because, as the previous speakers indicated, that was something they worked very hard in the last election to ensure they got, and they got it.

The OMERS pension with this level of indexation is something that, yes, may right now be a municipal responsibility, but we all know there is only really one taxpayer. We pay our taxes municipally through property tax or we pay them provincially or we pay them federally. That one taxpayer eventually is going to be able to array before himself or herself all of the money that he or she is spending for public service.

Frankly, our pension is going to come under scrutiny, because there is only one organization that has a better pension than teachers and that is us. So we are going to have to also wrestle with that at some stage. But I guarantee members that without any doubt in two or three years all of this is going to be arrayed before us, and where do we put our money? There will be two classes of citizens in the province: those who have good pensions and those who have no pensions. Those who have no pensions are going to be asking some questions of those of us who do have the pensions.

The Acting Speaker (Mr Villeneuve): We can accommodate one final participant. The honourable member for York Mills.

Mr Turnbull: I want to congratulate my colleague the member for Etobicoke West on the points he made tonight. It is something I have commented on in this Legislature from time to time, the problem we have with pensions. We know that the CPP is essentially broke, and I think people in their 40s and 50s should have great difficulty with the fact that they will probably not get a pension from CPP unless they are in dire straits. We are creating here a whole class of municipal and provincial and federal employees who have indexed pensions, including MPPs and MPs.

Mr J. Wilson: We don't have indexed pensions.

Mr Turnbull: We do not have indexed pensions, but essentially it works out to the same thing because successive governments have passed legislation to effectively index it. By splitting hairs and saying, "It's not indexed," we are trying to fool the people. It essentially works as an indexed pension.

The whole question is, we are setting up a society where we have people who work for governments—we know the NDP would like everybody to work for the government—and then everybody else, and eventually the taxpayer

is going to say no. I believe the taxpayers are saying no now. The taxpayers are saying, "We have reached beyond tax exhaustion."

I hope the members here tonight remember this at all times when they are trying to encourage private industry to be successful in this province. The burden they put on private industry, where taxpayers who work for private industry are having to fund this through their property tax dollars and through their provincial income tax and their federal income tax, is a very serious problem that we cannot afford to brush under the table any longer, because we are going broke with debt.

The Acting Speaker (Mr Villeneuve): Thank you. This completes questions and/or comments. The honourable member for Etobicoke West has two minutes in response.

Mr Stockwell: I would like to thank those members who spoke to this. I think they all had very salient, well-thought-out arguments. Maybe I am wrong. Maybe this debate will not be a debate for the year 2000 and longer. Maybe this debate will come forward at a much earlier clip.

Much was mentioned about indexing. There are some figures available on indexing. The member was not certain about the private sector. Automatic inflation protection for full increase in the consumer price index is something only 0.5% of pension plan members in the private sector enjoy. Another 7% get partial indexing. But among public sector workers—those are bureaucrats—29% have pensions that are automatically adjusted for the CPI increase. Another 38% get partial indexing. In most cases, however, they contribute towards the extra cost, to be fair.

It is going to be a very important issue in how each government deals with it. I know the Treasurer probably has some concerns about the pension plan and some of the other issues he has dealt with over the past few months. I spoke very clearly against the teachers' pension plan, one of the few members who did. I understand why they do not speak against it, but if history is to remember this Legislature for anything, I hope it will think back to these kinds of debates on these days when the warning bell was sounded.

They cannot keep doing this. They cannot keep going on like this, because the well is dry. There is not a lot of money left out there, and the last thing Ontario taxpayers are prepared to see improvements in is pensions. Maybe services to them, maybe hard services and soft services, maybe jobs, but I do not believe they are going to be very helpful when the government comes and tells them there is another tax hike coming down the road because it wants to give better pensions to a group of people who have the best pensions in this province.

1820

Mr B. Murdoch: I support the government on this initiative and I think it is time our clerks and treasurers were recognized. I know in municipal government, in which I spent quite a few years, a lot of our clerks did not have good pensions. Now that this bill has been put forward, I hope it will help them.

I have a bit of a problem with it in that we are in a time of restraint. We do not have a lot of money and the municipi-

palities do not have a lot of money right now, but I hope the government in its wisdom, when the transfer payments come through, will look into this and see that the municipalities need the transfer payments, so that the payments are kept up and they will be able to afford to look after the pensions for our clerks and treasurers, and our people who work for municipalities.

I know back that when I was reeve in my township, when I first started as reeve, the clerk who was looking after the township was only part-time. A lot of the time, if we had to get something signed by our clerk, we would have to go out to the field where he was plowing or back in the bush where he was cutting wood for winter just to get him to sign a form. Mr Bothwell, who is deceased since then, was a hardworking man and he had no pension at all. But municipalities, and rural municipalities especially, have come a long way from those days now and people are full-time. They are not part-time jobs any more, which used to be the fact. Rural Ontario had a lot of part-time people and pensions did not seem to come into it. Now that is not the case and they definitely need their pensions brought into line.

I know we talked on a bill some time ago on the teachers' pensions. We supported that and this is just one more set of people who need to be looked after with their pensions.

This bill has been long overdue. I have some problems with the timing of it, bringing it in to the House now when it sort of looks like we are trying to force bills through the House just because we want to get them through. It is unfortunate bills like this were not brought in earlier so maybe there could have been longer debate on it or it could have been looked after before. But now that the bill is here and we are debating it, I want to tell the government that I support this and I hope it will—

An hon member: You've got a conflict of interest.

Mr B. Murdoch: One of the members thinks I have a conflict of interest. No, I am not a clerk, so I am okay. But I will say that if the clerks and the treasurers I worked with at the county level and at the township level had not been what they were to me, I would not be where I am today. They certainly helped. As I say, in the rural areas, if a rural municipality does not have a good clerk and treasurer, it can be in trouble; I will tell members that for sure. They make a difference. I know our clerks in rural Ontario certainly do make a difference, so I support this bill and I am glad the government brought it forward.

The Acting Speaker (Mr Villeneuve): Questions and comments on the member for Grey's participation?

Mr Arnott: I am very pleased to rise and congratulate and commend the member for Grey, my colleague, my neighbour to the north in southwestern Ontario. I commend him for his remarks. Certainly in my riding of Wellington I can attest to the quality and the professionalism of the municipal employees in our area. I concur with his belief that they do deserve and have earned an adequate system of pensions. I would like to indicate also to the House that I intend to support this bill and once again congratulate the

member for Grey for the position he has taken on this issue.

Mr Conway: The last two speeches are heartfelt and honestly offered, but they point out the wonderful situation in which we find ourselves here as local members. To hear two very solid Tories from Wellington and Grey say what they have just said is understandable in light of the train, because no one wants to go back to Grey county or north Wellington and say, "We don't think you should have some of the benefits I've got as an MLA." Nobody can do that with any degree of consistency.

The issue here is not reasonable treatment of those wonderful clerk-treasurers and firefighters up there in Grey or in Renfrew. I know what kind of laceration I would take if I dared to suggest that this bill be opposed. This is one of these wonderful elements where responsible parliamentary government is just potentially the most irresponsible of governments, because it is just like the poor old Treasurer today having to cope with Bill Davis's and Elie Martel's and Pat Reid's and Jim Foulds's excesses of 15 and 18 years ago. At this time of the year they would all get together and cut a deal around the teachers' pension arrangement, and most of us did not pay any attention because quite frankly most of us did not know what was going on. It was not an issue in 1974 or 1978 because the real implications were a generation out.

Now the Treasurer struggles, in a recessionary year, when he has to say to the Minister of Community and Social Services, "I would like to give you more than 2%"—she would obviously like more and I can appreciate the situation. One of the reasons he cannot give her more is that quietly, in this year, he has to add \$250 million to the teachers' superannuation account, \$250 million additional in this ravaging, recessionary year. I suggest there might be something to learn from that experience downstream from Bill 151.

Mrs Marland: I think the member for Renfrew North paints with a rather broad brush. To suggest that the two previous speakers were speaking from their perspective only because they cannot go back to their municipal employees and say they did not support this bill is presuming too much on his part. I am quite confident the two previous members who spoke, if they were indeed concerned about one side or the other of this bill, would go back to their municipal employees and deal with it in the manner in which they addressed it in this House. I do not think either of those members is intimidated and I think both of them are more than capable of representing their municipal employees.

I think the issue with this bill is the issue that is being raised, about whether it is affordable. My goodness, what is it? Eighteen billion dollars that the workers' compensation fund is in arrears?

Mr Stockwell: Ten.

Mrs Marland: Ten billion dollars. I guess it matches the deficit of the current provincial Treasurer. It is wonderful to have these tremendous ideas about what we want to do for our brethren in different forms of employment—I

say "brethren" in the colloquialism of the members opposite, through their union friends and so forth—

Mr Stockwell: And sisterhood.

Mrs Marland: And sisterhood; brethren and sisterhood. But the real crux of this matter is a very serious one: What is affordable? As politicians, we have to stand and be very accountable for legislation like this that we support in reality. Where is the money coming from and is it fair to the people who are paying for it?

Mr Callahan: I want to ask a few questions. I would like to point out that at the top of the compendium it refers to future amendments to the regulation, and I have always spoken in this House in terms of regulations. They are known as the silent laws of Ontario, which means they do not go through the Legislature. We never get an opportunity to debate them. They do not go to public hearings, so the public does not have an opportunity to debate them. I would really like to know if we can expect that the minister will table these regulations so at least we can have an opportunity to look at them before they become law. Otherwise, what they do is slip silently by—as one of the members goes, "Shh, shh,"—and become law without anybody having any say about them.

The other issue is that my good friend the Treasurer, as I understand from the press releases today, is not going to tell the municipalities the transfer payments until some time in the spring, when the birds are singing in the trees. This becomes a very important issue because while the minister is busy here in the House every day with his duties as minister and the House leader is here with his duties, the municipalities are awaiting word on that, to know, because they have to figure out just what it is going to cost them. It is going to be the municipal taxpayers who will bear the brunt of this, but in the final analysis it will be the provincial government that will be hung out to dry if it does not work out properly.

I ask, finally, if the minister will table those regulations so that we have an opportunity, as members of this Legislature, to carry out the sacred trust we are required to do, rather than just letting these things slip through the bowels of the executive offices, where nobody, not even the backbenchers, has a chance to look at it. They are going to find that their constituents are not going to be all that happy about these secret laws—regulations that have been passed by governments around here for years.

1830

Mr B. Murdoch: First, I would like to thank the member for Wellington and the member for Mississauga South for their kind words.

To the member for Renfrew North, of course we are concerned about the money, everyone over here is, but that is not the point. The people we are talking about are hardworking people. We would be concerned about anybody in our ridings who had a chance for his pension to be brought into line. That is what it is all about. As I said, the teachers too had their pensions brought into line. I think it was the member's party that said that they were not able to look after their own pensions. Now we finally have it straightened out that they are a partner in them. There

was a problem before, but now that has been straightened out.

To the government at this time, since the transfer payments are not going to be announced until January or whenever, I hope it looks into the fact that municipalities will need money to look after this. This is one of the things it has to realize now that it is bringing some of the pensions in line: The municipalities will not be able to afford to do it all on their own and will be looking for transfer payments from the Minister of Municipal Affairs. I am sure he will take that into consideration when he divvies up the money he has.

I just want to go back to my friend the member for Renfrew North to say that we are as concerned as he is, as all the House is.

Hon Mr Cooke: Very briefly, I appreciate the comments that have been made by members of the Legislature. I certainly understand some of the comments that have been made, in particular from the Conservative Party.

I should point out that the recommendation that came forward from the OMERS board was for a 75% rate of indexation. After analysis by the Ministry of Municipal Affairs, as well as the Treasury, it was our concern that the 75% was not financially responsible at this point in time, given the difficulties that all pension funds have had during the recession. So we went to 70%. We believe, from all the analysis the OMERS people have done, as well as the government, that the pension fund can afford that rate of inflation.

I heard many of the comments from the Conservative Party about what has happened to some of the pension funds in the province, in particular the teachers' fund and the Ontario public service fund, and the province having to pick up hundreds of millions of dollars of costs as a result. I share some of those concerns, but I also point out that what happened with those two funds is that the Davis government decided, leading up to an election in the 1970s, to index the pension funds for the teachers and the public service. He forgot that they had to be funded. It was completely irresponsible. They should have been funded at the time. The employer—us—and the employees should have been asked to contribute additional funds at the time to pay for those benefits, but they were not.

What we are doing in this fund is lowering the rate of indexation to 70%, which is in line with the analysis of what the fund can afford now with its surplus, plus we are saying that the employer and the employee each have to contribute more so that the pension fund will be able to afford the indexation being provided.

Finally, I would like to point out once again that during these difficult times it is important that there be some provision in our pension legislation that will allow some people to retire earlier, because that will provide the employer with some additional flexibility without having to lay off employees, to reduce positions, if that is necessary, to cope with the recession and the decreased revenues that happen during a recession. That is one of the benefits from these changes.

With those comments, I appreciate the input from other members.

Motion agreed to.

Bill ordered for third reading.

SUPPLY ACT, 1992

LOI DE CRÉDITS DE 1992

Mr Laughren moved first reading of Bill 170, An Act to authorize the payment of certain amounts for the Public Service for the fiscal year ending on 31 March 1992 / Loi autorisant le paiement de certaines sommes destinées à la fonction publique pour l'exercice financier se terminant le 31 mars 1992.

Motion agreed to.

Mr Laughren moved second reading of Bill 170, An Act to authorize the payment of certain amounts for the Public Service for the fiscal year ending on 31 March 1992.

Hon Mr Laughren: Mr Speaker, I am not sure whether you would permit me to make a short comment at this point, but there is a very long tradition in this assembly in which the supply bill receives first, second and third reading without intervening time between the readings.

Mr Conway: I think the Treasurer is right in observing that there is a tradition of first, second and third reading on the supply bill. I am not the House leader and I do not want to speak for the House leaders. I think there is a sense in the Legislature that there is a desire to use the interim supply item as an opportunity to make some brief observations about the state of affairs in Hamlet's Denmark.

Mr Harris: On a point of order, Mr Speaker: I think we are going to be able to accommodate this. Surely there is one tradition—we have broken every other tradition in the history of this Legislature.

The Acting Speaker (Mr Villeneuve): That is not a point of order.

Mr Harris: I will break tradition then and speak to the second reading debate, if that is the only way you will permit me to do it.

The Acting Speaker (Mr Villeneuve): The honourable member for Nipissing is on a point of order. We will resume the normal rotation, and that is not a point of order.

Mr Harris: Fine. I will wait and debate it.

Mr Conway: I might be able to help. If somebody could indicate to the House when the interim supply motion might be called, it might be helpful.

Hon Mr Laughren: I assumed that was part of the negotiations among the three House leaders. Perhaps one of them could respond.

The Acting Speaker (Mr Villeneuve): We are at second reading. We are now moving into debate on second reading.

Mr Harris: On a point of order, Mr Speaker: I believe it is a point of order. I know you cut me off before and you said it was not, but it is the order of the business. I think we could facilitate things here if we could have some understanding of the next order of business. It would substantially facilitate the orderly procedure of this particular

piece of legislation in the normal fashion, without breaking tradition.

The Acting Speaker (Mr Villeneuve): I know there have been some agreements, arrangements and certain things that have been decided on. Does the Treasurer want to comment on the point of order of the member for Nipissing?

Hon Mr Laughren: Mr Speaker, I am sure you appreciate the fact that there is no attempt whatsoever to foreclose any debate on it. It is simply that there is a long-standing tradition by which the interim supply that fits in between the supply bills to conclude the fiscal year—the interim supply bills are the ones on which debate occurs, and very wide-ranging debate, as it should be.

1840

Mr Turnbull: It was a long-standing tradition that if you lie, you resign.

The Acting Speaker (Mr Villeneuve): The honourable member for York Mills, that is not parliamentary. I will respectfully ask you to withdraw.

Mr Turnbull: Mr Speaker, I will rephrase it. I thought it was parliamentary tradition that if you told an untruth, you resigned. I withdraw the remark.

Hon Mr Laughren: The tradition was that the interim supply was used for wide-ranging debate whereas the supply bill was simply used to tidy up the fiscal affairs of government, regardless of who was in government. So it was not meant to be at all provocative to suggest that we follow that tradition. It was mainly in keeping with the reverence that members opposite have for tradition in this place that I suggested we follow that time-honoured tradition. In keeping with that, I moved second reading of the supply bill.

The Acting Speaker (Mr Villeneuve): Mr Laughren reinforces that he has moved second reading of the bill. Is it the pleasure of the House that the motion carry?

Motion agreed to.

Third reading also agreed to on motion.

Hon Mr Buchanan: I move adjournment of the House.

The Acting Speaker (Mr Villeneuve): The Minister of Agriculture and Food has moved adjournment of the House. Is it the pleasure of the House that the motion carry?

Hon Miss Martel: On a point of order, Mr Speaker: I think the Minister of Agriculture and Food has made a mistake and may want to rephrase what he said.

Hon Mr Buchanan: Clearly I have chosen the wrong word, Mr Speaker. Adjournment of the debate.

Mr Mancini: On a point of order, Mr Speaker: The understanding was that once we completed these two or three items, we were going to move into interim supply and have first and second reading of interim supply, which would give a lot of honourable members, who have been waiting all day long and all week and some a number of weeks, time to make a few contributions between now and 7 pm.

We have made agreement to adjourn this evening at 7 pm for a number of valid reasons and we want to stick to that agreement. But it was my understanding that we would have the opportunity to use this 20 minutes for interim supply, and I would ask that the government do whatever it is that is necessary for this to take place.

The Acting Speaker (Mr Villeneuve): It is a point of information and it is most appreciated.

Hon Mr Laughren: Perhaps it would facilitate the business of the House if I moved interim supply at this point.

INTERIM SUPPLY

Mr Laughren moved government notice of motion 33:

That the Treasurer of Ontario be authorized to pay the salaries of the civil servants and other necessary payments pending the voting of supply for the period commencing April 1, 1992 and ending April 30, 1992. Such payments to be charged to the proper appropriation following the voting of supply.

Hon Mr Laughren: This is the interim supply to which we were referring just a short time ago, in which members on all sides are, if not encouraged, at least allowed to have a broad-ranging debate on all matters dealing with the public business.

It is tradition that the interim supply is to deal with the payment of the government's bills, whether it is for supply, services and wages and salaries of the public sector. Because of the nature of interim supply there has developed a tradition that members on all sides can talk about virtually anything under the sun that has application to the business of the province.

Members opposite will know that this has been a difficult year indeed in the province. We have had to cope with an extremely severe recession and we have done so to the best of our ability. There will always be those who believe we should be taking a different course.

When I was in Ottawa last week with the other ministers of finance from across the country and the federal minister, it was obvious the federal government believes that Ontario's fiscal policy is out of whack, that we should not be running a deficit, or at least as large a deficit as we are, and we in Ontario, the government at least, believe the monetary policy of the federal government is out of whack. So you do get these honest differences of opinion, somewhat ideologically driven, but on the other hand not totally to that degree either.

As we debate this interim supply this evening, it is on the eve of the first ministers' conference on the economy tomorrow. It is a brief meeting, but I am sure the Premier of this province will be thinking of everyone in Ontario, and in particular of those people who are out of work who have been hit the hardest by the recession this past year, as he attempts to convince the federal government and other premiers across the country that what we need is a united effort to kickstart this economy and put Canadians back to work.

That should be our number one priority, and I can tell members that as a government we will leave no stone

unturned in our attempt to do that. It is a case of trying to convince the federal government that simply racheting down the economy through high interest rates and a high dollar—although the interest rates have dropped somewhat, they are still very high interest rates in the historical sense.

We will be trying very hard tomorrow as a province and as a government representing all the people of Ontario to convince the federal government that its medicine has been too harsh. They may consider the operation to have been a success because the rate of inflation has dropped but, on the other hand, what good is a successful operation if the patient dies? We will be trying to convince the federal government that it is necessary that it take a hard second look at its monetary policy, because we really do not think the present system is working.

I encourage the contribution of other members, because as you know, Mr Speaker, all wisdom does not reside in any government, and I look forward to the contributions from the members opposite.

Mr Conway: I want to give my friend the member for Brampton South some opportunity, and this is just by way of a comment—I will myself be within reach of the national capital later this week, and I expect old Bytown will be just aglow with creative energy now that the troika of Rae, Harcourt and Romanow, with scribbler Penikett someplace in the corner—I just cannot imagine the sort of energy those three people will bring. I mean, having Mike Harcourt there will be like having Frank Miller, because having heard Mike Harcourt over the last couple of months, I am very comforted by the fact that this is one protest movement that has been becalmed.

I simply have to say, in a very ecumenical way, that I have heard Mike Harcourt in recent weeks opine on the economy and he would make Frank Miller sound like a Liberal in a hurry, to say nothing of a Tory in reverse. I simply have to say that when we get those democratic socialists together, now that they have got the bit of power and responsibility in their teeth, we will expect that no end of creativity will flow from their pens.

We are all confident that what we saw here today was some kind of almost pre-Christmas subterfuge. We know there has to be more; it cannot be this shallow; it cannot be this transparent; it cannot be this lame. Once the Treasurer observes that it is only a two-hour meeting, and I am sure it will be a two-hour meeting, perhaps even a two-and-a-half-hour meeting—for those of us who have listened to the Treasurer over the years, we have got to know and we have got to believe that there is certainly more than we heard today.

1850

Mrs Marland: It is really interesting when our revered Treasurer stands up and says this is the piece of legislation that gives the government the opportunity to pay its bills. We would be ecstatically happy tonight if in fact the Treasurer was paying the bills, but the people who are paying the bills are not in this chamber, nor are they in the Treasury office or in the offices of any of the ministries of this socialist government in Ontario today. The people

who pay the bills are the people who are not elected to office or the people who work for those elected people. The people who pay the bills, tragically without any option or choice, are the taxpayers of this province.

The Treasurer says this is a significant night because it is the eve of the first ministers' conference tomorrow, as though some wonderful solution is going to come out of this conference of first ministers on the national economy. My goodness, if this province cannot even get its act together because of the Premier's socialist philosophy and doctrine, what chance does the national scene have when it joins together with yet two other socialist governments across this country? It is a very sad eve, as a matter of fact. I do not see it as a celebration in any way at all and I do not share this Treasurer's optimism whatsoever.

I am very reluctant to support any legislation that helps this government pay the bills with the money of the taxpayers of this province, who are already taxed to death. The money that is being spent is not even just the current taxpayers'; it is the future taxpayers' as well.

Mr Bisson: We have arrived at that time when we have to come to this position of making sure we pass this very important legislation in order to pay the bills. I think the Treasurer said quite adequately at the very beginning that we find ourselves in very difficult times. We find ourselves in a situation where government revenues, because of what has happened in our economy, because of things directly related to some of the policies of former governments and also what has happened in regard to the global economy, have really taken an effect.

I think it comes down to one very basic thing: The people of this province, like the people in any other jurisdiction, demand services from their government. They want to make sure that if they should be ill, they have health care. They want to make sure that when they go on the roads, those roads are maintained. They want to make sure they have decent, affordable housing. They want to make sure they obtain those services from the government of this province. For that there is a price.

The member opposite from the Conservative Party spoke at some length for the past two minutes and I note mentioned the word "socialist" at least seven times in two minutes. I am really glad she is taking adherence to that term, because it is something I am quite proud of saying, that I actually am a socialist. I have no problem saying that.

The point is that we clearly have some decisions to make. Those decisions have to do with how we take direction in order to pay for those services. We made a decision in the last budget that we were not going to cut and slash and put those people who really need those services in a position of not being able to get those services because we had taken an attitude such as the Conservatives are trying to point out to us now.

I will only point out that the federal Tories, the counsins in Ottawa of these provincial Tories, are running a deficit of almost \$30 billion a year. I do not think there are any lessons to be drawn from that type of ideology. I think people clearly understand what the province is up against. We need to be able to manage this way over a longer

period of time to try to make sure we have adequate resources to pay for those services.

The Acting Speaker (Mr Villeneuve): We can accommodate one final participant in questions and/or comments. Seeing none, the honourable Treasurer has two minutes in response.

Hon Mr Laughren: I appreciate this opportunity. I did not expect it. I know there are members opposite who do not agree with the economic and fiscal policy of the government. The member for Mississauga South probably expresses it very well, in that she believes we should not have run up a deficit and that we should instead have reduced services and laid off employees. I looked at what Newfoundland did, for example. I tried to make a comparison to what they did to keep their deficit down. To draw the equivalence, I believe we would have had to lay off about 18,000 Ontario government employees. That is an unbelievable number. We are simply not prepared to do that. I have never believed that is the cause of the problem in this province; therefore, it is not the solution either.

I think it is fine to talk about a deficit that is too high, but also, I am still waiting, especially for members of the third party, especially them—not so much the official opposition because they agree we should be spending more money, at least they seem to in their questions in the House and statements I hear them making. But the third party seems to think we should be reducing our expenditures dramatically and should not have this deficit, but they will not tell me how. Oh, they come up with some small solutions that would save a little bit of money, but they will not deal with the full \$9.7-billion deficit.

They carefully, studiously avoid having to deal with the whole question of exactly what they would cut in order to save \$10 billion in this province. They do not know and they do not have the nerve to say what they would do if they did think they knew.

Mr Callahan: As we wind down, I am going to give the Treasurer a Christmas present. I would like to give him what might be a hypothetical case.

In my riding of Brampton South and my colleague's riding of Brampton North, what if the community owned 46 acres of land? What if they have owned that land since about 20 years ago? What if they had \$9 million committed to them by the regional council of our community? What if the developer who is selling houses in that community was giving \$100 for each house that was sold, amounting to, I think, the tune of about \$2 million? What if you had \$11 million and 46 acres of land? Would that not be a good deal for this government to establish a health care facility that has been in the making since 1977, when I first raised the issue and ran against the former Premier of this province to finally get something on that land?

My community is the 15th-largest city in Canada. It is growing by leaps and bounds. It has one hospital. It angers me when I go to places such as Midland and other areas around this province and see two and three hospitals. We have waited long enough. The people of my community had got that close before the election of 1990. I get angered. I tried to talk to the Minister of Health on a quiet basis to try to see if something could get going. When I find out from that minister, after asking her on a number of occasions to communicate with me as the member for that riding, and I hear nothing whatsoever and we are closing down on 1992, it is time for me to make it political.

It is unfair to the people of Brampton—Brampton South and Brampton North—a growing community. There is no reason whatsoever why there should be a further study done of whether or not facilities are available throughout that region. That study was done by our government. It should have been done by the previous government. That is something that cannot wait.

The people of Brampton South have picked up their own socks by providing 46 acres of land. The Treasurer should show me any other community in the province that was prepared to throw into the pot those kinds of resources: 46 acres of prime land could be sold for an awful lot of money. They could probably build the hospital themselves. They went through the district health council, which recommended this as being a first-class, first-time type of facility. It is going to service ambulatory cases. It is going to be a day surgery. It had gone to the stage of a model being built. Architectural plans had been drawn and produced. Nothing has happened since then.

My colleague the member for Brampton North, in whose riding it is—I have been asking him to carry the ball in terms of asking questions because it is his riding—asked the Minister of Health back a month ago about this project. In fairness to her, she was a new minister. She did not know anything about it. She said she would find out and get back to us. I am sorry, but my mailbox is vacant. I have not heard back from her and the people of the city of Brampton are tired of waiting.

I say to the Treasurer that I am not asking the Minister of Health; I am not asking this government; I am demanding it. A matter of equity requires that this project go forward and there has been enough stalling. It has been on the go since 1977.

I say to the Treasurer, on behalf of the citizens of Brampton, that I am sorry I had to get political with it, but when I ask questions quietly and do not get an answer or I get an answer saying, "We're studying it further," I think we have been studied to death. People could die in the meantime as a result of the lack of facilities in Brampton if this government does not get off its duff and do something.

On motion by Mr Callahan, the debate was adjourned.
The House adjourned at 1901.

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/Adjointe parlementaire de la ministre des Affaires
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- Johnson, Paul R. (Prince Edward-Lennox-South Hastings/Prince-Edward-Lennox-Hastings-Sud ND) parliamentary assistant to Minister of Revenue/Adjoint parlementaire du ministre du Revenu
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- Tilson, David (Dufferin-Peel PC)
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- Ward, Margery (Don Mills ND) parliamentary assistant to Minister of Government Services/Adjointe parlementaire du ministre des Services gouvernementaux
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- Warner, Hon/L'hon David** (Scarborough-Ellesmere ND) Speaker; Co-Chair, special committee on the parliamentary precinct/Président, coprésident du Comité extraordinaire de l'enceinte parlementaire
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- Wessinger, Paul (Simcoe Centre/-Centre ND) parliamentary assistant to Minister of Health/Adjoint parlementaire de la ministre de la Santé
- White, Drummond (Durham Centre/-Centre ND) Chair, standing committee on regulations and private bills/Président du Comité permanent des règlements et projets de loi privés
- Wildman, Hon/L'hon Bud** (Algoma ND) Minister of Natural Resources, minister responsible for native affairs/Ministre des Ressources naturelles, ministre délégué aux Affaires autochtones
- Wilson, Hon/L'hon Fred** (Frontenac-Addington ND) Minister of Government Services/Ministre des Services gouvernementaux
- Wilson, Gary (Kingston and The Islands/Kingston et Les Îles ND) parliamentary assistant to Minister of Culture and Communications/Adjoint parlementaire de la ministre de la Culture et des Communications
- Wilson, Jim (Simcoe West/-Ouest PC)
- Winner, David (London South/-Sud ND) parliamentary assistant to Attorney General, parliamentary assistant to minister responsible for native affairs/Adjoint parlementaire du Procureur général, adjoint parlementaire du ministre délégué aux Affaires autochtones
- Wiseman, Jim (Durham West/Durham-Ouest ND) parliamentary assistant to Minister of Correctional Services/Adjoint parlementaire du ministre des Services correctionnels
- Witmer, Elizabeth (Waterloo North/-Nord PC)
- Wood, Len (Cochrane North/-Nord ND) parliamentary assistant to Minister of Natural Resources/Adjoint parlementaire du ministre des Ressources naturelles
- Ziembra, Hon/L'hon Elaine** (High Park-Swansea ND) Minister of Citizenship, minister responsible for human rights, disability issues, seniors' issues and race relations/Ministre des Affaires civiques, déléguée aux Droits de la personne, aux Affaires des personnes handicapées, aux Affaires des personnes âgées et aux Relations interraciales

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Finances et affaires économiques

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102A 1991



102A 1991

ISSN 1180-2987

Legislative Assembly of Ontario

First Session, 35th Parliament

Official Report of Debates (Hansard)

Thursday 19 December 1991

Assemblée législative de l'Ontario

Première session, 35^e législature

Journal des débats (Hansard)

Le jeudi 19 décembre 1991

Speaker
Honourable David Warner

Clerk
Claude L. DesRosiers

Président
L'honorable David Warner

Greffier
Claude L. DesRosiers



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Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au (416) 325-7400.

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Effective with the opening of the Second Session of the 35th Parliament, Hansard issues and pages will once again be numbered on a sessional basis. Hansard numbering therefore will become consistent with Orders and Notices and Votes and Proceedings, and with other parliamentary publications throughout Canada.

For the last two years Hansard has been numbered according to the calendar year. Under this system, the numbering of issues and pages was restarted with the first issue in the calendar year, regardless of session or Parliament.

Under the new system, the sequence of numbering started in January 1991 will end with the final House and committee sittings of the present First Session. A new sequence will begin on the opening day of the Second Session, and each succeeding session, which will be issue 1 and begin with page 1. Committee reports likewise will be numbered from the first sitting of each committee in a parliamentary session.

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Avec le nouveau système, la numérotation commencée en janvier 1991 s'arrêtera à la dernière séance de la Chambre et des comités de l'actuelle première session. Une nouvelle série commencera le jour de l'ouverture de la deuxième session et des sessions suivantes : numéro 1, page 1. Les rapports des comités seront également numérotés à partir de la première séance de chaque comité pour une session parlementaire donnée.

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LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday 19 December 1991

The House met at 1000.

Prayers.

ORDERS OF THE DAY

PRIVATE MEMBERS' PUBLIC BUSINESS

GOVERNMENT CHEQUE CASHING ACT, 1991

LOI DE 1991 SUR L'ENCAISSEMENT DE CHÈQUES DU GOUVERNEMENT

Mr Morin moved second reading of Bill 154, An Act to prohibit the Charging of Fees for the Cashing of Government Cheques / Projet de loi 154, Loi interdisant de demander des droits pour l'encaissement de chèques du gouvernement.

Mr Morin: The bill I am about to present is of great necessity. This province is in a deep recession. A 9% rate of unemployment and a major loss of permanent jobs have led to an increase in requests for social assistance. A high deficit was created in order to meet the needs of thousands of Ontarians suffering from this harsh recession.

More than one million persons in Ontario are presently receiving social assistance, 39% more than last year. That represents 10% of the population of Ontario. Growing welfare rolls, increased poverty and a continued reliance on food banks are the legacy of this recession.

On January 19, 1989, I brought the issue of charging fees for cashing government cheques before the House. Members of all parties recognized the difficulties low-income Ontarians suffer when attempting to cash their cheques. Cashing a cheque is a simple, routine task for people like ourselves. We have an array of identity cards and sufficient income to ensure our access to a variety of financial services. Low-income persons, on the contrary, face many hurdles in attempting to cash their cheques. Probably the most significant barrier between the poor and banking services is identification. The poor, because of their financial situation, may not have access to traditional means of identification such as a birth certificate, a driver's licence, credit cards, a passport or a social insurance number.

Transients have an even greater problem in obtaining identification and then keeping it, because of their life-style.

Insufficient identification may prohibit the poor from opening a bank account. Even if a low-income individual successfully opens a bank account, he or she will be required to wait many days before being able to withdraw funds. Many financial institutions have a policy which provides that non-active accounts be closed. The accounts of many social assistance recipients would not qualify as active because they contain insufficient funds or are not accessed frequently enough.

Compounding the problem is the fact that practices regarding cheque cashing can vary from branch to branch. A bank has its own policies in dealing with individuals

who are not branch customers. Also, many financial institutions are reluctant to handle government cheques because of the potential loss due to fraud.

The difficulty faced by low-income persons in their attempts to cash cheques have caused them to turn to third parties such as landlords, friends, corner stores and other businesses, in particular cheque cashing businesses. Why cheque cashing businesses? Because their identification requirements are less stringent. Money Mart, for example, provides customers with an ID card for a \$10 fee.

In certain instances, some cheque cashing outlets have taken fingerprints as proof of identification. Cheque cashiers are easily accessible and offer much less intimidating surroundings. The catch is that they charge fees for cashing cheques.

On December 11, 1991, Money Mart was charging 4.9% to cash a postdated government cheque, 3.9% for current-dated cheques. Back in 1985, Money Mart had some 30 offices across Canada. Today, it has 92 outlets in Ontario alone. Obviously, there is money to be made.

But the question is, should that money be made to the detriment of the needy? Should profit be made literally at the expense of those citizens who can least afford to pay fees, namely, low-income persons? I say no.

In January 1992, the maximum total allowances in monthly general welfare assistance will be \$646, for a single person, and \$1,351 for a sole-support parent with two children. Four per cent of these sums respectively is \$25.84 and \$54.04. If we multiply this by 12, a single person can lose up to \$310.08 and a sole-support parent up to \$648.08 a year. This represents an important loss of income to people for whom government cheques are their only source of income.

Think of what those last dollars could buy. Is it fair to allow cheque cashing businesses to continue to operate to the detriment of low-income persons? Social assistance is determined after a thorough examination of a person's welfare and it is allocated to meet very specific needs. It does not include funds for any type of extra expenses.

1010

This is why I feel so strongly about this bill. The fact is that many low-income persons are not receiving the full amount of financial assistance allocated by the province. For the reasons outlined above, they must resort to cheque cashing businesses in order to cash their cheques. It is clear that some of the very few funds this government has to spend are being redirected from the object for which they were intended.

We cannot allow the exploitation of the needy to go on. This bill prohibits the charging of fees for cashing government cheques. That is all. It is very straightforward. It represents a first step in a series of measures which must be taken to ensure better access to financial services for low-income Ontarians, because the cheque cashing issue is just one aspect of a greater problem. This problem is the

lack of access low-income persons have to regular banking services.

That is why the bill provides for a delay of six months. Before its implementation on July 1, 1992, the government has time to negotiate an agreement with the Canadian Bankers Association or with any other authority regarding cheque cashing and access to better financial services. An agreement could set out specific conditions under which accounts could be opened and held by low-income persons regardless of the sums involved. It could determine appropriate documents for identification purposes.

The six-month delay also allows the government time to eliminate the practice of postdating all its cheques. Postdating cheques contributes to the problems faced by social assistance recipients anxious to cash their cheques as soon as they receive them. It would allow the government time to undertake any other measure that could improve the present situation faced by low-income Ontarians. For example, the direct deposit program could be extended to all types of government cheques.

This bill protects all government cheques from fees. This is an important point because government cheques represent, for example, between 40% to 45% of Money Mart's business. Not just social assistance cheques, but old age pension and family allowance cheques, among others, are being cashed. It is almost as if the government were subsidizing cheque cashing businesses at a rate of 40% to 45%. This is not acceptable.

This bill concerns an activity not covered under present legislation. Cheque cashing businesses are not regulated. Is it necessary to resort to legislation in order to resolve the cheque cashing problems we have been discussing? Yes, it is. The charging of fees for government cheques will continue as long as it is not expressly forbidden by law.

This bill is entirely appropriate. Not only does it strictly prohibit the charging of fees for cashing government cheques, but it allows government time to seek more creative and effective methods of dealing with a problem that simply will not go away. The growth of cheque cashing businesses illustrates well the need for more adequate banking services that are accessible to all members of society.

Mr Jackson: I am pleased to rise in the House today to participate in the debate on Bill 154, An Act to prohibit the Charging of Fees for the Cashing of Government Cheques, tabled by the member for Carleton East. This, as we know, is the second occasion on which he has tabled this private member's bill, the other occasion being January 19, 1989.

This bill states, "No person shall charge a fee for exchanging, negotiating or cashing a cheque or other order to pay issued by the government of Canada, the government of Ontario or a municipal corporation." It also includes penalties, rather expensive ones, that would be applied against any person who would contravene the bill, which would come into force after a six-month delay period.

This bill is a noble effort, but it is only one way of responding to the problems faced by recipients of social assistance in Ontario, who cannot readily obtain services at banks and who are then forced to go to grocery stores which require a portion of the cheque to be spent on grocer-

ies, or to cheque cashing agencies which can charge from as low as 1.5% to as high as 4.9% of the value of that cheque as the cost associated with cashing them.

The aim of this proposed legislation is to ensure that the recipients of social assistance can obtain the full amount of benefits they are entitled to without having to pay to these cheque cashing agencies. The principle involved here is, therefore, one of consumer freedom as well as justice. No one should have to pay for cashing their social assistance cheque.

It would be unfortunate, however, if the blame for the lack of consumer freedom that presently exists in this regard in Ontario were to be laid completely at the door of these cheque cashing outlets. These outlets do, in fact, fill a need in this province, as they do nationally. That need has been created by banks, or rather the failure of banks, which often refuse to deal with recipients of social assistance, sometimes under any circumstances, but the ones most noted are that many social assistance recipients do not have a permanent address or cannot obtain two, three or four pieces of personalized identification, which is the means on which banks are refusing to cash these cheques.

There are also those recipients of welfare who would still choose to deal with cheque cashing outlets for a variety of reasons even if they had access to regular banks. Telling recipients they must go to certain financial institutions and not to others may be robbing them of one of their basic rights, which is a right of specific choice as consumers in our society. The freedom of choice should not be impeded in our society and, therefore, when we look at legislation that purports to limit choices we should be very careful and proceed cautiously.

Welfare cheques are not the only guarantors of dignity of those who must rely on them. Their dignity rests also in their value of independence and their personal responsibility for their own actions. Their abilities cannot be replaced by a centralized government bureaucracy pretending to be a paternalistic Big Brother. I stress that because when I reviewed the debate of January 19, 1989, there was extensive discussion about a welfare recipient ID card, and I consider that to be somewhat repugnant. I notice that was a concern raised by my colleague the member for Hamilton West in that debate, as well as the member for—I should know; it will come to me in a moment, but it is a member of the government today who was in opposition at the time.

However, the point I am stressing is that the member for Carleton East, who has presented us with this bill today, has only made passing reference to this identification of social assistance recipients, but he did say some form of ID would be considered. I think we are putting the cart before the horse to be getting into that kind of discussion until that has been fleshed out and shared in more detail with all members of this House.

The six-month delay period which is built into this legislation is a significant part of its presentation. Although not spelled out clearly, this time period is specifically set aside for negotiations with chartered banks in Ontario in order to work out some arrangement for improving access for social assistance recipients and people living at low-income

levels. Negotiations are under way, and that has been mentioned. These are involving a Metropolitan Toronto community services department and a number of financial institutions.

1020

In a recent article in the paper, we are told there are three unnamed banks negotiating vying for this business. There is no reason the process of negotiations with banks could not be extended to include cheque cashing agencies. I think we have to be very careful of suggesting that we institute penalties and put out of business an entire sector of business in this province, which we are told has 92 outlets that employ over 450 people in Ontario. Rather, from my perspective, we should be negotiating with all parties to resolve all aspects of access for low-income people to a more equitable, fair treatment in the process of cashing their social assistance cheques.

I would like to suggest as well that in the First Report of the Advisory Group on New Social Assistance Legislation, *Back on Track*, it is stated that all people in Ontario are entitled to equal assurance of life opportunities in a society that is based on fairness, shared responsibility and personal dignity for all. On page 63, under "Direct Deposit," it is further stated, "The client should have a choice about how assistance is delivered, and some people may prefer a cheque." Therefore, recipients should be in the position to make an informed choice about how they wish to have their moneys handled.

I have expressed the concerns I have with respect to the private member's bill. I support the honourable member for Carleton East for his excellent intentions in bringing this bill forward again. However, I believe the process of negotiations that is under way with financial institutions and Metro Toronto social services should be expanded. We should not be eliminating an entire sector from this province as part of those negotiations. We, as a government body, should not impose a legislative framework which in effect creates a monopoly for banks, whose record clearly shows have not been socially responsible in their treatment of cashing cheques for social assistance recipients in Ontario. Therefore, I wish to add to the debate those concerns to help guide the House in its treatment of this bill.

Mr Fletcher: It is a pleasure to rise today to speak on this resolution put forward by the honourable member for Carleton East, a piece of legislation I can certainly support. Bill 154 is meant to ensure that all the dollars government distributes to people through income security programs get into the pockets of those for whom they are intended. This legislation will apply to all levels of government, whether it be federal, provincial or municipal, and it will apply to all forms of government cheques: family benefits, unemployment insurance, workers' compensation, Canada pension and income tax.

The member for Carleton East's primary concern is for the poor and those who rely on social assistance. That concern is also shared by all members on this side of the House. For years, people who have been unable to get their cheques cashed by a local bank have had to turn to a variety of different alternatives: grocery stores, department

stores, bars and third parties such as landlords, relatives and friends. The fees charged for these services range from nothing when it is a relative or a friend to more than 50% of what the cheque actually is, especially when it is a bar or some place like that.

Private cheque cashing companies are a relatively recent option, first appearing in 1982. These outlets charge fees averaging from 3% to 6% of the value of the cheque. To a person on social assistance, that 3% or 6% can mean the difference between a meal and no meal. A lot of the funds lost are fees that represent not only a hardship for the individual but also redirect scarce tax dollars from the intended goal of helping the poor to generating profits for the cheque cashers. In effect, the taxpayers are subsidizing the profits of commercial cheque cashing outlets.

Why do people go to these outlets? Obviously it is an alternative because, first, many financial institutions—and it has already been said by other members—will not handle government cheques. Why? Because they are afraid they are going to lose money from fraud. They try to protect themselves from forgeries, stolen cheques.

The second and perhaps the most significant is the identification requirements. Again, it has been said that those without acceptable identification find themselves in a catch-22 situation. If you do not have an account you cannot cash a cheque without sufficient identification. If you do not have sufficient identification you cannot open an account. What identification do most banks require? Social insurance number, driver's licence, major credit card. For some people these are items they do not even know exist. Many times the people who do have identification have it stolen; if they do not have a fixed address, they lose their identification.

It is a hardship. Usually the postdating of social assistance cheques means that people receive their cheques several days before they are dated, and if there is an immediate need they cannot get them cashed because of the postdating. Some people prefer not to deal with banks. I can understand that. Every time you walk in the door you get charged for something. If you sneeze you know you are going to get charged a little more. Welfare cheques cannot be seized by creditors. Nothing prevents a bank from taking a payment if it is deposited into account.

There are solutions to the problem. One of the solutions is to try and help minimize the profits of those who exploit the predicament of the poor—I believe that is what the member for Carleton East is trying to do—and also to enhance the poor's access to financial services they require.

The first solution of trying to minimize profits has a problem. Prohibiting the charging of fees will not alone ensure that social assistance clients receive the full amount of their benefits. It will simply exclude the poor from access to cheque cashing and may force people to resort to other means that will cost a higher proportion. Without corresponding legislation to make it mandatory for banks to cash cheques and open accounts, those who rely on social assistance may be in even worse shape. This concern is raised, as the member opposite has indicated, by the Metropolitan Toronto community services department. It is

also pointed out by the Legal Assistance of Windsor in its letter to the member for Carleton East.

The second solution of enhancing access to financial services may be a better one. As I said before, everyone realizes that when you walk into a bank there is a charge and the charge will sometimes be as much as what people are paying when they cash their cheques at the Money Marts.

A voluntary system of direct deposit has been recommended, but there is a problem with direct deposit of funds, even though it is reliable and eliminates the potential for lost or stolen cheques. This program was launched by the Ministry of Community and Social Services for family benefit cheques on a voluntary basis in July 1991. By the end of August, there were about 38,000 who had signed and these numbers have now increased to 68,000. The banks are saying it is a bit of a headache for them.

The ministry plans to extend direct deposit options to general welfare assistance in the spring of 1992 and to deal with the issue of postdated cheques to allow a client to cash a cheque as soon as it is received. Community and Social Services has requested that municipalities review and, where appropriate, change the data on the GWA cheque dates to match the mailing dates. Several municipalities have adopted this procedure, Ottawa-Carleton being one. Direct deposit does not address the problem faced by those without bank accounts. It also leaves social assistance benefits vulnerable to garnishment.

I agree that Bill 154 is an important starting point, but I believe that before we get to the point where we can really protect the consumer and protect the poor, we have to do something about the corporate ripoff artists known as banks. There is a need for consultation on the kinds of identification that will be needed. Also, we look forward to further discussion. We cannot allow the poor to be exploited the way they have been.

1030

Mrs Caplan: I rise with a sense of pride. My pride is because the member who has proposed this motion, the member for Carleton East, is a colleague of whom I am particularly proud. I know of his pride as he represents his riding of Carleton East. I take great pride in having the member as a colleague. I believe he is one of the most respected members of this House.

This is the second time he has proposed this private member's bill, and it is my hope that this bill will receive third reading and be proclaimed by the government. I would like to point out that the member has done a great deal of work not only on behalf of his own constituents, but on behalf of the people of this province. He has done a lot of research into this issue. We are aware that his bill, which is before the House today for debate, has two very specific objectives, and they are very clear.

The first is to prohibit the charging of fees for the cashing of any government cheque, be that the government of Ontario, the government of Canada or a municipal government.

Second, it addresses a broader issue which I know is of concern to many people. It has been addressed in the So-

cial Assistance Review Committee report. It has been addressed before legislative committees. Sadly, to this point in time, no action has been taken. This second issue is the issue of access to banking services and the banking system by the poor. Unfortunately, in this province alone, we know that the numbers of people on social assistance are at an outrageously high level. That saddens me in particular, and I know it is of concern to every member of this House regardless of their political, partisan philosophy.

We see the numbers of people in this country who are unemployed and who have been devastated by this recession we are in now. We know they want jobs. We know they want the ability to work. We also know they want to have the pride of being able to access the kinds of services within the banking system that every other Canadian, every other resident of this great country who can produce identification, has access to. We know the barriers are often extremely difficult for the poor, who do not have bank accounts because they do not have any money to put in the bank. We know they do not have access because they do not have driver's licences because they do not drive a car. We know they may not have three pieces of identification. Those have been barriers to access to the banking system which, frankly, have not been addressed by those institutions, and that does not excuse them.

This bill has two objectives. As I said, the first is to prohibit the charging of a fee for the cashing of a government cheque. Second, it will require banks and the banking system in this province to do what has been done in other jurisdictions to solve a systemic problem. This has been addressed through federal legislation and in negotiations between the banking system and the federal government. We know it has been addressed in Quebec and Alberta.

Given the reasonableness of this bill by the member for Carleton East, there is sufficient time that it can be addressed before this bill would take effect. I believe that is one of the finest features of this bill, because it does not say, "Do it tomorrow." It will not place any hardship on anyone. I want to congratulate my colleague, because he has the support of the Canadian banking industry. The banking industry has agreed it is willing to work with government to solve these problems, which is the second objective of this bill.

I would like to put in the record just a few comments on the kind of support the member for Carleton East has received, because I have copies of these letters and I think they speak to the significance of this bill.

One is from the Ontario Coalition Against Poverty, which talks about "hardship caused by operations like Money Mart who prey on people's desperation by taking a cut for cashing inadequate welfare cheques. Mr Morin's initiative is badly needed and we support it fully. Far from being a trivial issue, the elimination of cheque cashing practices is a matter of vital concern to hundreds of thousands of low-income Ontario residents."

This next letter is from the community services department of Metropolitan Toronto: "The private member's bill itself is a starting point for discussion among relevant Ontario ministries, banks and ourselves to flesh out a comprehensive strategy. I am very supportive of your initiative to deal

with the serious and frustrating situation and would be pleased to assist you further in your efforts in resolving it."

I have another letter from Metropolitan Toronto, which says: "The community services department has expressed concern for many years over the potential for exploitation of welfare recipients in cashing cheques. Any legislative and/or regulatory system that reduces the potential for exploitation...would be welcomed."

Basic Poverty Action Group sends this letter, written to the Minister of Consumer and Commercial Relations: "This letter is to express our strong support for the proposed Act to Prohibit the Charging of Fees for the Cashing of Government Cheques presented recently by Mr Gilles Morin, MPP, Carleton East. We look forward to seeing your government take this important and relatively simple step. It will make a significant difference for many low-income persons in Ontario."

From Legal Assistance of Windsor: "We urge you to support the efforts of the National Anti-Poverty Organization and others concerned about the exploitation of the poor made possible by unregulated private cheque cashing organizations." More support for the member for Carleton East.

From the Consumers' Association of Canada: "We recognize that service charges or surcharges are an additional burden to those who can least afford them. Therefore, we support Mr Morin's initiative in proposing the Government Cheque Cashing Act, 1991, and trust that it will receive quick passage."

From Dundurn Community Legal Services, writing on behalf of their clients, who are low-income people, many of whom rely on various forms of government support: "On their behalf we are writing to give our support for the bill prohibiting the charging of fees for cashing a government cheque. Money which is intended to assist the poor is instead generating great profits for cheque cashers. This problem was identified by the Social Assistance Review Committee."

The Cheque Cashers Association of Canada has a different point of view, and I can certainly understand that. Its members are the very people who are cashing those cheques. They have responded to a legitimate need because the banks have not responded.

To this association, I say that we legislators in Ontario have an obligation to look at an issue and ask what is in the public interest, what is in the public good. We understand the specific interests of the different organizations and associations, but as we stand and speak and cast our vote, we must do so in what we believe is in the interest of the people of this province. I believe the private member's bill by the member for Carleton East which is before the House today is in the public interest. I believe it is worthy of support. I urge all members to vote for this important piece of legislation. I urge the government to call it for third reading and allow the member's bill to become law.

1040

Mr J. Wilson: I am pleased to rise and give four minutes of comments on Bill 154. I will say from the outset that I will not be supporting the legislation. I want to make

that clear, unlike some of the remarks where we could not tell whether the speaker was supporting it or not. During the campaign, I told my constituents I would always tell them how I stand on pieces of legislation.

It seems to me that this is another attempt by the Liberal socialists to outdo the Marxist socialists of the NDP across the floor. They both pretend they have the corner on compassion, but I do not understand how in the world this bill, which is going to put a further 460 people on the unemployment rolls, could be interpreted as compassion. It is another negative bill in our society. We have had too much government for far too long that gets up and presents legislation that says, "You can't do this and you can't do that." It is another hammer on the private sector.

The private sector charges a small fee to cash government cheques. It is not just social assistance cheques; it is 3.8 million federal and provincial cheques that are issued each month by the federal and provincial governments. A lot of people use these cheque cashing convenience outlets. They charge the fee because they take a risk. There is a risk in being an employee in this province, which the NDP Marxist socialists refuse to acknowledge, and there is a risk to doing business. They take a risk, because we know there is fraud in the welfare system, and they take a loss on some of those cheques.

They also take a risk because with the \$10-billion deficit, who knows if this government's cheques are going to be good tomorrow? There are all kinds of risks in the private sector. They charge a small fee to do it, and I do not think we should be putting these convenience outlets out of business, putting another 460 people on the unemployment rolls.

I think the bill is self-defeating. It would have been better to have a bill that was positive, that brought forward positive measures that the banks and the cheque cashing convenience outlets could do, rather than another negativism. At this time, I do not think putting another 460 on the unemployment rolls is at all an objective of this Legislature. It is not for the betterment of the public, and for that reason alone, I will not be supporting this legislation.

Mr Owens: I thought McCarthyism was dead; however, I think it reared its ugly head this morning.

I am very pleased to stand in my place and support the member for Carleton East with respect to Bill 154. I share the member's sense of outrage that the people who are most vulnerable in this society are being taken advantage of.

These organizations like Money Mart live a parasitic existence, and if they were forced to live on their own in the free market system that the members opposite seem to advocate, they would never be able to survive. They are living simply because they have the advantage of a closed market system where they cash the welfare cheques, taking somewhere between 3% and 6% away from these people who clearly cannot afford it.

Unlike the columns that have been written in the past by some Toronto tabloids that these members seem to identify with, people do not make \$45,000 a year on social assistance. If that were the case, people would be quitting their jobs today.

Two community legal workers at Scarborough Community Legal Services—and I know the member for Scarborough North is familiar with this legal service—Nancy Vanderplaats, who was on the interclinic committee for social assistance, and Linda Mitchell, who was on the interclinic committee for Metro housing as well as on the interclinic committee on domestic violence, strongly support this legislation. They contacted me and urged this government to support this legislation. As I say, I am proud to stand in my place to support the member for Carleton East.

There are some suggestions, however, that I would like to make to the honourable member. In terms of the negotiations going on, I would suggest we expand these to include credit unions, caisse populaires and trust companies. We simply cannot restrict the business to the banks. We all know how impoverished the banks are, with I believe \$740 million in profits—somebody could correct me—the banks have made this year.

The second issue is with respect to universal identification. I have problems with identifying and separating people out of society and giving those folks specific identification.

The practices of the banking industry clearly need to be investigated and changed, and I think the member for Oriole made a good point in terms of poor people having bank accounts. There is no way that people on social assistance are ever going to be able to afford to have bank accounts. Banks are now looking at having \$1,000 minimum on deposit before they stop implementing service charges. There are not very many on social assistance, if any at all, who will ever have \$1,000 in the bank as savings.

As a person who does not hold a driver's licence, I had to obtain a Visa card in order to have a chequing account, so we need to look into the kinds of practices around the requirement for identification.

In closing, again I would like to state that I support the member in his quest and I share the outrage he has expressed throughout these proceedings. We need to start taking care of the people who are unable to take care of themselves. Simply setting up a private business and supporting this kind of private business through the exploitation of those who cannot afford to take care of themselves is clearly inappropriate. I and my colleagues will be supporting this bill this morning.

Mr Conway: I am delighted to be here this morning to support my colleague, the member for Carleton East, for what I think is a timely piece of legislation. I want to indicate, in supporting this bill, that some of what has been said really attracts my attention.

The member for Simcoe West made the observation that there is the prospect, and I think he is quite right, that there could be some fraudulent transaction and therefore we should be very reluctant to consider this kind of legislation. He even went so far as to say that there is perhaps a concern around welfare fraud. I do not remember his words exactly but it was certainly in that connection. There is certainly welfare fraud; there is fraud throughout the entire community, we all know that.

One of the things about fraudulent transactions that I want to talk about very briefly this morning is what is

going on at the congressional bank in Washington. I do not know how many of my colleagues have been watching the stories out of Capitol Hill this summer and fall, but it was discovered that there is a very special kind of bank at Capitol Hill available only to senators and members of Congress, and at last count some 6,000 congressional cheques had bounced.

It is a great story. I do not believe the banking institutions across the United States have moved to shut down that bank. In fact, I am absolutely certain they have not, nor will they. I find it breathtaking that there could be 6,000 rubber cheques issued by elected members of Congress in 1991, but that is the incontrovertible reality.

So I agree with my friend the member for Simcoe West that there is fraud in the land. Sometimes it is to be found in great quantity in places where one would not expect it.

My point is, in supporting my friend the member for Carleton East, who is a very sensible man, a very decent—to be called a Marxist-Leninist Liberal socialist is to bring hyperbole to a level on a Thursday morning that is unbecoming. I must say that, unlike myself and many members of this assembly, perhaps even the member for Simcoe West, the member for Carleton East has met a payroll. He spent long and distinguished years as an entrepreneur in the private sector so he brings to this not just a good legislative reputation but a very good and distinguished career in the private sector.

What he has asked this Legislature to affirm is a fair and reasonable proposal. I put to my colleagues again: Can they imagine once a month taking their legislative indemnity cheque down to some money mart in this building or on Wellesley Street and being told: "Well, Mr Wilson, that's very good. That's \$2,200, less 4.9% or 3.9%"? That policy would last about a month and my friend the member for Simcoe West and all of us would gather together and say: "Discount Her Majesty's payment? You've got to be kidding. What could be better paper than Her Majesty's credit?"

1050

Mr J. Wilson: This bill won't solve that problem, Sean, and you know it.

Mr Conway: I say to my friend the member for Simcoe West that what my friend the member for Carleton East has wisely provided for is an opportunity for the government and the Canadian Bankers Association to work out reasonable arrangements that will protect the interests of the consumer and the taxpayer in this connection.

I cannot believe there is any caterwauling Tory in Simcoe or anywhere else who would honestly believe you could and should discount a provincial or federal cheque in Her Majesty's name to the most needy people in this province or in this country. If they believe, as good, decent Tories in my part of the world do and good Tories in Glengarry, that we must show a particular need and sensitivity to those most disadvantaged in our community, why should social assistance recipients be disadvantaged because they do not participate in the banking and bureaucratic world of the more well-off in this community, including members of the Legislature?

I repeat, members of this assembly would not tolerate for a moment a provision where we would take our indemnity cheques and have them discounted by anyone to the tune of 3.9% or 4.9%.

As usual, the member for Carleton East has brought forward a policy that is sensitive, sensible and liberal-minded, and I would expect it to be supported by all liberal-minded, reform-oriented people who, in their comfortable pew in this Legislature, would want to do no less for the disadvantaged than is done for themselves.

Mrs Cunningham: One of the most interesting parts of my job is sitting in this House over the years and listening to the rhetoric. I will put the question to the member for Renfrew North: Where was he that January when he was in government, January 1989, when his colleague got the bill through? What did he do about it? We voted for it two years ago and it just sat in the back door. Nobody did anything about it. Shame on him. The member should be careful what he speaks to in this House. Let's see what happens to it this time.

To the members who spoke in favour, let's face it, we are talking about welfare recipients right now. The bottom line is that they should keep all the money we give them and nobody takes any money away in a charge, especially as much as 4.8%. That is what we all want. That is why we are supporting this legislation. By the way, if members really believe that, they should not be thinking about video machines for lotteries because that takes money from the poor.

The next question is, why would this government have cut out the debt counselling services for the very people who need it? You cannot speak in favour of one thing one day and come out with policies like that the next day. If you care about—

Interjections.

The Acting Speaker (Mr Villeneuve): Order. Interjections are out of order, particularly when the members are not in their own seats. I would remind the honourable member for London North to please address her remarks through the Chair.

Mrs Cunningham: Thank you, Mr Speaker. I love looking at the Chair, especially when you are sitting in it, but can I have back on the clock those 10 seconds they took away from me by interjecting? All right.

Let us talk about process here. Everybody knows that when this bill is passed it can be sent to committee. When it goes to committee, all the parts of this bill that people have concerns about with regard to doing a lot of consultation with the banks—I think we have to do that, and the member spoke about this two years ago. When we look at inviting feedback from the banking community we make sure the clients will not suffer any garnishments, because that is part of the problem if we were to go to direct deposit or some other way of doing things.

If we want to take a look at all the options we have to do this in committee, otherwise a client should have the right to use the options the member put forth two years ago and again this morning. There are more options than just what meets the face of things in this bill today. We may

have to change the bill if we are looking at public input. We may have to change the fines; we may have to take a look at the day of enforcement.

Given the mess we are in right now, Mr Speaker—I will address my remarks to you—we do not even know when we are coming back. We are not able to conduct business in this House because the government has been totally irresponsible in the last four or five days and totally inconsistent in what those members thought about cabinet members' performance and responsibilities when they were in opposition and what they are now, so we have arguments in this Legislative Assembly.

By the way, with due respect, my colleague the member for Simcoe West and I have something of a difference of opinion here. We do not whip people into votes either in the regular conduct of this Legislative Assembly or in private member's hour. He is in fact representing his constituents and I think he would agree with me that if this were to go to the committee his concern should be fully discussed. Perhaps the member would take it into consideration and offer some amendments. That is how this place works and that is how the process works.

In conclusion, anything we can do to help welfare recipients retain all the dollars the taxpayers give them to feed and clothe their families and pay for the roof over their heads we should be supporting in any way. I think the member has given us a responsible option and if we refer this to committee we can make the changes that would reflect the concerns of the members of this Legislative Assembly.

Mr Mills: It is a pleasure and an honour for me to stand here this morning and support the bill introduced by the member for Carleton East. I have great compassion with this issue. In my last life I used to go to work and there was a traffic light outside one of these cashing machines. It used to wrench my heart as I stopped at that red light at the end of the month and saw the people on welfare and social assistance queued up with their cheques in hand to enter this building to get their money discounted.

The member for Renfrew North spoke very well about the security of government cheques. The analogy I use is that it is like betting on a horse that has already passed the winning post. If anything is secure it is a government cheque. It is a great injustice that we have so many people living on the bare requirements to survive who have to give up some of that money just to cash a government cheque which we all know is secure.

Perhaps we should look at a direct deposit system for those social assistance recipients. I know my friends across the road, the ultra right-wing Conservative Party, will get all upset and say that once we have direct deposit it will go on and on and there will be no accountability. That is absolute rubbish. As we all know here, it will not keep on unabated.

We all know that in this dreadful time of recession the only industry that has generated the biggest profits in the history of Canada are the banks. I cannot understand for one minute why the banks every month come up with some wonderful scheme to make even more money. I got a letter the other week that suggested I should pay \$2 a

month and I can get a photostat of my cheques. If they have all that ingenuity, why do they not apply it to help the people on social assistance? Why do they not use some of that expertise to help the poor of this country instead of racking up millions of dollars in the banks, which those people over there support and think are so wonderful?

I am going to give a little time for one of my colleagues who wants to close. The money intended to go to the poor must go 100% to the poor and it must not on any account generate profits for some entrepreneur who wants to take advantage of those people who are not well off.

Mr Mammoliti: I am very upset at the fact that I see some members here who do not approve of this bill. I want to remind everybody that what the members who disapprove want to stop is that bag of milk and loaf of bread that people on social assistance need. That is what they want to stop. I am sick and tired of the members who are so selfish in thinking this way. This is selfishness. This is profit-making on the backs of people who cannot afford a bag of milk, and they have the audacity to sit there and disapprove of this bill.

I do commend the member who brought this forward and I will be supporting this bill in the vote.

1100

Mr Morin: I would like to thank my colleagues for taking the time to speak out on an issue we should all feel strongly about. I believe this is an issue that not only merits our immediate attention but demands immediate action. This action can only be taken by the government. It is up to this government to rectify past oversights. It has a unique opportunity to set things right.

I would add that this issue rests squarely within the government's philosophy of helping the needy, helping those who cannot help themselves. This issue appeals to the government's social conscience, to all our consciences. We, as elected representatives of the people of Ontario, have not only a duty but the moral responsibility to help the needy. This situation, the charging of fees for cashing government cheques, illustrates clearly the vulnerability of low-income persons in our society. This vulnerability is preyed upon by businesses intent on reaping profits. The freedom to dispose of one's income, which is the argument used by the president of Money Mart to justify his position, is a blatant distortion of reality.

The real issue is the proper allocation of government funds, especially those intended for humanitarian objectives such as helping the needy. The real issue is ensuring that all Ontarians regardless of their income enjoy access to a wide range of banking services. We cannot allow the charging of fees for cashing government cheques to continue any longer.

Mrs Caplan: On a point of order, Mr Speaker: I have been looking in the standing orders to see how I might point out to the Speaker and the House that a special guest is in the Speaker's gallery today. The member for Carleton East's son was here to hear his remarks, and I do not know how I can make that introduction to the House.

The Acting Speaker (Mr Villeneuve): I think you did very well. Thank you very much.

TARTAN DAY

Mr McLean, on behalf of Mr B. Murdoch, moved resolution 36:

That in the opinion of this House, recognizing the multi-cultural nature of Ontario and the contributions of the Scottish community to the economic, agricultural and cultural wellbeing of Ontario, and recognizing that the 6th day of April is a day of historical significance to the Scottish community, as it marks the anniversary of the declaration of Scottish independence made in 1320, this House should proclaim the 6th day of April as Tartan Day.

Mr B. Murdoch: I am sorry I was late. I was out in the alleyway looking after some of my friends and making sure everybody was getting in; when you do things like that, sometimes you are late yourself.

I feel this is a very important resolution. The province of Nova Scotia has realized the importance of our Scottish heritage and has passed something similar. They now observe Tartan Day on April 6. The Scottish settlers who started coming to Ontario in the second half of the 18th century contributed greatly to the wellbeing of this province. Along with the English, the French and our native people, they made it a place we are all so proud to live in today. I might add also the Irish were there, in case anyone in here is Irish. I know we do have a few Irish people here, and I am sure—there they are over there.

Mr McLean: They just wish they were Scots.

Mr B. Murdoch: They may wish they were Scottish.

Under severe conditions, my ancestors and the ancestors of many other members of this House, using their native Celtic courage, built villages and churches, grist and sawmills, blacksmiths' shops and, of course, breweries; I am sure the Scottish always liked that.

Mr Mills: And still do.

Mr B. Murdoch: And still do, right. Good roads linked these settlements to their farms on the land which they cleared. The Scottish pioneers in Ontario were industrious people. In addition to farming, which was the backbone of Upper Canada, they excelled in business and finance. They were able merchants who engaged in global trade. They exported grain, timber, potash and livestock to the West Indies, England and Scotland. They also imported sugar and rum. We know we always needed that rum.

They also were prominent in the shipbuilding industry, supplying Britain when her need was great to assist with the wars with France in 1793, before our time. Scots in the 19th century exercised skills acquired before migrating or newly learned in North America as millwrights, copper-smiths, sawyers, masons, builders, cobblers, weavers, dyers, tailors, ironworkers and bakers; in short, as mechanics or artisans in all of the callings of which their young communities had need.

They established cheese factories, flour mills, fanning mills, sawmills, paper mills and carding mills. Members will not be surprised to hear that they also started, again, many distilleries.

Grey county is proud to have such a heritage. Today we have a lot of people here from Grey county and from the surrounding counties of Bruce, Wellington and

Dufferin. We are pleased to have inherited the industrious ways of our forefathers. We are also proud of the culture which they handed down to us. We want to keep it alive and share it with others. That is the purpose of this resolution.

1110

As members know, we have a colourful and distinctive culture. The wearing of the plaid is a strong tradition and the music of the bagpipes must haunt everyone no matter what their heritage. Highland dancing is an art. To support me, many people of my riding have come to participate today.

We have the Shelagh Milne and Eleanor Brennan School of Dance, which is famous worldwide. They have won many awards and honours. Ann Milne has been Ontario champion 13 times, Canadian champion 12 times, Commonwealth champion, and she has also won the world championship four times. She lives in Owen Sound in my riding. She has also performed for the royal family. Alison Milne has been a Canadian champion, as has Dawn Brennan who, with Shelagh, is here today. I think they are just coming in, so maybe we will introduce them later. Dawn has been a Canadian and world champion. The Owen Sound Highland Dancers have performed at Disneyland and Walt Disney World.

I would like to take a moment to recognize and thank some of our Scottish dancers who have come here today: Jacqueline Bruce, Melissa Risebrough, Crystal Baker, Kelly McCoy, Ashley Clark, Stephanie Drysdale, Laura Drysdale, Heather Edwards, Melissa Harron, Bonnie Muzzell, Tianna Marcella and Heather Dixon.

Two pipe bands have also come down from my riding. I am proud to introduce the Hanover Legion Branch 130 Pipes and Drums. It was formed by Jack Harris in 1973 and has travelled extensively. It has played at the Rose Bowl, Orange Bowl, the highland games in Fergus and the Royal Highland Games in Scotland. They are a teaching band whose pupils have turned into champions. They sponsor the St Andrew's dance every year in November. They are directed and instructed by Pipe Major Jim Curran and they meet every Thursday in the Hanover hall.

I am also delighted to have the Mount Forest Cameron Highlanders with me today. I share this band with my friend the member for Wellington. It is a border town and we both have them in our riding. The band was formed in the winter of 1950 under the direction of Pipe Major Jack Gillespie. At that time he pulled together a group of community lads from the area and began practices in the basement of his home in Mount Forest. The band is still together today and it practises and plays weekly. They are currently under the direction of Alec Watson and Drum Major Jim Arthur. Thanks for coming, guys and girls.

Interjection.

Mr B. Murdoch: We also have women who play in our pipe bands. I wanted to make sure people down here knew that.

I would like to also recognize the people who are partly responsible for the introduction of this resolution. There are four members of the Clans and Scottish Societies of Canada in the members' gallery. I would like to

thank them for their contribution to this morning's debate. They are very interested in this resolution and would like to see it passed.

My greatest thanks have to go to my friend Ron MacDonnell, who is from Stormont-Dundas-Glengarry. Without him I would not be standing here properly clothed. I have to thank Ron for that.

I know there are many people on both sides of the House who want to support this resolution and speak on it. I will leave the rest of my remarks till my wrapup.

Mr Sutherland: It is a great pleasure for me to rise and support this motion today. I want to compliment the member for Grey for bringing it forward. I have had the pleasure of watching and enjoying the Shelagh Milne dancers from Owen Sound. They are truly a great credit to the riding of Grey and to this province, and a great tribute overall.

In 1852 my ancestors came from Scotland, settled in Oxford county, in the township of Zorra, cleared the land and established the farm. Oxford county has a very strong Scottish heritage. I think this bill is a very good bill indeed.

I want to say that each year on July 1, as in many communities, in the village of Embro, a few miles from where I grew up, they have the highland games every July 1. It is so appropriate that the Zorra Caledonian Society has for many years been sponsoring the highland games to preserve and promote Scottish heritage, to hear the bands, to have highland dancing going on. That is a great event every year. They have a magic touch because, for as long as anyone can remember, it has never rained on the highland games on July 1 in Embro. We are certainly hoping that luck will continue.

Also in the town of Ingersoll, we have the Ingersoll Pipe Band. It is certainly well known and has played at many events. Internationally, on many occasions it has been down to the Indianapolis 500 to participate in its parade and it participates in many other parades in the riding.

I am wearing a Sutherland tartan tie today and I am very proud to be doing that. I want to thank the office of the member for Simcoe East for supplying that for me, because unfortunately I did not have one available.

I have never been to Scotland. I have not had the opportunity to see where my ancestors came from. I certainly hope to do that.

This bill is important for two reasons. It talks about recognizing the multicultural nature of Ontario. Many people in my community, while very proud of their Scottish heritage, do not see that as part of the multicultural fabric of this province. When it comes to multiculturalism, we know there are many critics; certainly members of the Reform Party are very critical of promoting multiculturalism. When we say "multiculturalism," that does not mean we throw out the past and just bring in the new. Multiculturalism means we allow tolerance and understanding of everyone being able to celebrate their culture and heritage.

In this House we have many members of different heritages and backgrounds who are very proud of that heritage and culture. They want to celebrate that and celebrate many of the significant events that go on. Some of the best

moments I have is when I am able to go to different multicultural events, when the German Canadian Club in my riding has Oktoberfest celebrations, and when other organizations have different celebrations.

That is what multiculturalism is really about. The people can bring the finest traditions of their heritage to this country. They can form clubs. They can say they are German Canadian. There is nothing wrong in being a hyphenated Canadian, although some people want to criticize that. They can bring those heritages, those cultures, those traditions and celebrate them in a fabulous manner and be very proud of that.

Some of my other colleagues want to speak to this, but I want again to compliment the member for Grey for bringing this bill forward. It is great day for all of us who are of Scottish heritage. I am sure it will receive a great deal of support.

One final point: There is a big movement in Scotland right now to try to restore the Scottish language. I understand there is some difficulty in how that is coming along, but I certainly hope that maybe some day I will be able to learn a little more about the traditional Scottish language and maybe even say a few words in this House in Scottish.

1120

Mrs Sullivan: I too want to congratulate the member for Grey for his initiative in bringing forward the resolution relating to Tartan Day. I am one of those people who has trouble identifying a nationality. My family has been in Canada for some eight or nine generations, but family lore traces our history to the house of Kelso, which was a Tironensian community which settled in Scotland from Tiron, Picardy, in the Middle Ages. My tartan is Buchanan, actually, but I am not wearing it today. In fact, I am not even wearing a tartan. It is a plaid that is made up. I apologize for that.

But I also want to congratulate the member for inviting the pipe bands from Hanover and from Mount Forest, and the Shelagh Milne dancers who have received international acclaim for the work they have done. When I was a youngster I was a highland dancer and I am now qualified to teach highland dancing. I know the work, effort and the discipline that goes into the work they do as dancers. We all appreciate that.

Mr Harnick: We will be asking for a demonstration shortly.

Mrs Sullivan: I think we are going to see a demonstration, probably after this session is over. Whether it is the Highland fling, skean-dhu, strathspey or the sword dance that is going to be done, people in this House will appreciate the legacy that is brought forward through the dance. I think the appreciation we all have tells a lot about Ontario, because the Scottish legacy is deep in our province. Our towns, families, churches, the names of our children, the livestock we breed, the food we eat, the liquid we drink, the expressions we use and the traditions we share bear a great dependence on the Scottish settlers.

On January 25, as members know, some mean memories every year, in virtually every town hall across the province, try to recall the poetry of Robbie Burns in accents that the poet would never have heard or even dreamt

about. No fair is complete without its pipe band, and the swirl of the kilt in the dance competitions at Fergus and elsewhere are very much a part of our life and our heritage.

As I look around the Legislature I could look at almost any member in describing their ridings and think of a name of one or many communities that bear the tradition of Scottish settlers. There is Campbellville near my own area, Dumfries in Brant, Dufferin, Perth, Lanark, Renfrew, Fort William in the north, Glen Eden, Tweed, Dundas, Picton, Northumberland, Caledon, Angus, Fergus, Guelph, Bruce, Lennox, Glengarry, and hundreds of other names. I just thought in the few minutes I had I would put some of them down.

The livestock we see in those counties and in those towns also has a strong basis in Scotland: Ayrshires, Aberdeen Angus, Galloways, Clydesdale horses, the Blackface and Cheviot sheep and Columbians. Now we are even sending breeding stock back to Scotland because the people who have descended either from the Scottish or who have entered into the agricultural industry involving those breeds have improved upon them and made their own place.

When I was growing up my father always had a hard luck story to tell that spoke of discipline and the necessity for responsibility. As I recall, any of the Scottish biographies I have read all begin with the story of a poor young man who is trudging his way to school with a sack of oatmeal across his back. Does that sound familiar? I think it does. One of the things those Scottish stories tell us is about the poverty that many of our early settlers faced, the careful husbandry of meagre resources in a rigorous climate. Those factors have shaped the Scots character at home and in the traditions they have brought to a new world.

They speak of achievement over adversity, and that is a particular claim in the Scots tradition. With a name like Sullivan, I can hardly leave the Irish out of this debate, but I will bring it in in a peculiar way: It is said that St Patrick indeed received his first Christian upbringing in Strathclyde and then took that learning with him to Ireland where he became the apostle. But surely it is the Presbyterian doctrine which the Scottish people brought with them with its emphasis on man's direct responsibility to God and on self-reliance that has shaped much of our own Ontario history, the development of our towns, the governance we share and much of our community code.

The independent spirit of the Scots is also carried all through the generations, from the early settlers to the demanding debates of today. The stubborn views of the Scots are certainly still seen as we enter legislative debate in this place.

One of the very interesting things I learned when I was studying medieval history as an extracurricular activity relates to the great papal schism of 1378. It was the Scots who held out and kept supporting the Avignon popes against all odds. They refused to accept the English and the Roman choice of Pope Urban, stayed with Clement VII, and in fact for several decades after everyone else had abandoned the Avignon anti-popes stuck with Benedict XIII. That stubbornness has shown, that loyalty has shown in many of the dealings that are certainly considered to be part of the Scottish character.

There is something else that is interesting about Scottish history. From its early days, Scotland was a melting pot of the Celts, the Picts, the Angles, the Britons and of the Scots themselves, with little in common but their geography, their newly adopted religion and a fear of invaders. The Scots have always been a feisty people. Lowlanders and Highlanders have had continuing rivalries over the years—and wars. The music of the bagpipes and the war dances, the sword dances and so on, tell of the spirit of that rivalry between the Lowland and the Highland people. Less than 200 years ago, men from the central Lowlands in Scotland who had to visit the Highlands on business affairs would make out their wills before they crossed the mountains, because their clansmen cared little for the Lowland chiefs.

One of the other areas of Scottish history that it seems to me speaks a great deal about how Ontario was driven through its history was the Arbroath Declaration of 1320, which said, on independence, "We fight not for glory, nor riches, nor honour, but only for liberty." How we have talked about the values, the loyalty, the self-reliance, the independence, the poetry, the dance, the responsibility and tolerance that Scots people have brought to Ontario, we also, in speaking of those things, talk about the liberty the Scots demanded on their Independence Day in 1320.

The Acting Speaker (Mr Villeneuve): Further debate, the honourable member for Simcoe East. McLean is the name.

Mr McLean: McLean is the name. I am pleased to rise today and to speak on this resolution. It is nice to see so many Scots in the gallery today, and there are a lot of people here who probably wish they were Scots.

A few months ago, when I had a visit from people from Toronto who wanted to make sure everybody knew there was an importance in the Scottish clan, that there should be a Tartan Day, I thought the appropriate place to send them was to the office of the member for Grey. He had a spot coming up and I thought it would be appropriate to have it done this fall before Christmas in his private member's time.

I really am pleased to have the opportunity to rise in support of this resolution. Talking about Tartan Day, there are many people who will realize they have seen this jacket in this Legislature before. This jacket is a Royal Stuart jacket. I have this jacket because my wife some time ago made herself a beautiful pleated skirt of a Royal Stuart material and I liked it so well that I said, "If I bought the material, would you make me a jacket?" So my wife made this jacket, which I am very proud of. My tie is the McLean tartan; it is very close but not quite the same.

When we recognize the multicultural nature of Ontario and the contributions of the Scottish community in Ontario, we feel that April 6 would be an appropriate day of historical significance to the Scottish community as it marks the declaration of Scottish independence in 1320. This House should proclaim April 6 as Tartan Day.

1130

The history of Scotland is long and glorious and dates back to Roman times. The resolution from the member for Grey mentions that April 6 is of historical significance to

the Scottish community, as I said, because it marks the declaration of Scottish independence in 1320.

As this resolution points out, the Scottish community has made a number of impressive contributions to the economic, agricultural and cultural wellbeing of Ontario. We all know that between 1791 and 1850 the history of Ontario is one of rapid growth. In 1791 there were probably not more than 20,000 people in the new colony of Upper Canada. The different groups included native people, the Canadians and the Loyalists, both native and non-native.

My family came to Canada in 1832, arrived in Oro township, in the county of Simcoe. I am the fifth generation, and I hope my son will be the sixth and my grandson will be the seventh generation of McLeans in Oro township to be farmers.

By the way, most Scots were Presbyterians. A lot of people do not know that, but my friend the member for Markham, who is a Presbyterian minister, certainly let me know that most of the Scots were Presbyterian.

A lot of our people are from Upper Canada, the Glengarry and Grey county area in the early 1800s; actually, Glengarry goes back to the 1700s. When we look at the whole aspect of multicultural life in this country we must not forget our history, our historical background, and we must look to the future with optimism to make sure we maintain our Scottish heritage.

I would like to conclude my remarks by indicating my very strong support for this resolution for April 6 being proclaimed Tartan Day in the province. I would like to invite all members of the Legislature to attend the Orillia Scottish Festival on July 17 and 18 next year, an annual event that attracts between 8,000 and 10,000 people to the city of Orillia for a parade and a Scottish festival of events including the pipes, drums, competitions and highland dancing.

I commend all those people who have taken the time to come to this Legislature to be part of this historical day on which we are trying to establish April 6 as Tartan Day in the province.

The guests from Mount Forest and Grey, thank you for coming. I thank my colleague for introducing this resolution and, by all means, I want to thank these people who initiated this event today.

Mr Mills: I am also very pleased to rise here today and speak to the member's resolution and tell him that I fully support it. But before we get caught up in the euphoria surrounding this day, perhaps we should look back in history and ask ourselves why the highland people came to Canada. They came here originally because they were driven out of their homes by the land owners who burnt their homes behind them. I do not think we should lose sight of that.

There is no doubt that the Scottish descendants made an enormous contribution to the development of Ontario. The number of Scottish place names in the province is clear evidence of this.

We only have to look at our country's history to see how Canadians of Scottish descent have helped build a great country and province. For example, many of the Fathers of Confederation were Scottish and our first two Prime Ministers,

Conservative Sir John A. Macdonald and Liberal Alexander Mackenzie, were both born in Scotland.

At the time of Confederation, Ontario was led by Oliver Mowat, who was also of Scottish descent. As Ontario Premier, Mr Mowat showed traditional Scottish grit in asserting provincial rights. He won numerous Constitution disputes with the federal government and effectively destroyed the idea that provinces would be no more than large municipalities.

The list of Canadian political figures with Scottish links is almost endless. For example, NDP leader Tommy Douglas was a native of Falkirk in Scotland, and John Diefenbaker traced his roots to Scottish immigrants.

We cannot forget the contribution of women in politics; Agnes Macphail, who was the first woman elected to the House of Commons, had Scottish blood.

The contribution of Scots to the development of our province has not been limited to politics. Since Ontario was first settled, Scots have played a crucial role in areas like business. In the early 1870s a Scot named Robert Simpson came to Toronto and shortly after arriving he established the Robert Simpson Co in Markham. Today he is remembered by the chain of retail stores that bore his name.

Some of Ontario's great newspapers, such as the *Globe* and *Mail*, had Scottish founders. In 1853, when the *Globe* became a daily paper, its editor was George Brown, another native of Scotland. For years afterwards, the newspaper became known as the Scotsman's Bible in Toronto and across Ontario.

Another field where Scots have made an enormous contribution to the province of Ontario is in the field of education. Many of the great academic figures in Ontario universities over the years have been of Scottish origin. For example, it is widely acknowledged that Professor Harold Innis, who taught at the University of Toronto, was one of the greatest social scientists this country has ever known.

As members can see, Canadians of Scottish descent have played a vital role in building our province into what it is today. We can learn a lot from the constitutional problems we face today. Although Scottish Canadians cherish their heritage, they have always saved their loyalty for Canada. George Brown of the *Globe* expressed this sentiment after a trip to Scotland in the 1850s when he said in an editorial, "It is Canada for me."

Before I conclude, I would like to make a few comments about my own Scottish connection. Despite my somewhat English accent, I believe I have deep roots in family history to the Scottish Highlands. My second name is Lewis, and this name has traditionally been used by male members of my family. Located in the outer Scottish Hebrides is the island of Lewis and that, I have been led to believe, is the reason for the use of this somewhat unusual Christian name by members of my family for generations.

Once again, in closing—my colleagues want to speak on this resolution—I would like to thank the member for Grey for bringing forward his resolution to recognize the contribution of Canadians of Scottish descent to Ontario. I think the idea of having April 6 declared Tartan Day is an excellent one, and I intend to fully support it.

1140

Mr Curling: Let me first commend the member for Grey for bringing this resolution which, of course, I will support. As the resolution states, April 6 will be considered Tartan Day. As we celebrate that, I would like to remind the Scottish people that there are many people today who, if they are Scottish, cannot be recognized because of their name—some have lost their name through all that kind of process—and some people who cannot celebrate their culture and be recognized within their culture because of their name.

I will not get into the name of Curling. Members may wonder about the name Curling being so Scottish. First, I want to thank the Scottish people for naming the game of curling in my honour.

I really do not want to start on a completely negative note, but I will point out some discrepancies I see in the Scottish people. They play the bagpipes but I have yet to hear any reggae music being played on the bagpipes and I would like that to be corrected.

As members know, many of the celebrations and competitions held in this province have been well attended. In Fergus they have the strongman competition—of course, if I participated I would be the winner—which attracts thousands of people to this wonderful Scottish tradition.

Mr Arnott: It's 40,000 people.

Mr Curling: I gather it is 40,000 people. I have yet to get an invitation. I mention to the members here that my staff awaits that invitation.

We also know of the Glengarry Highland Games in Maxville, and I have an association there. My former staff member, Frances McCormick, enjoyed great success there in the dance competition in which she performed. I would like you all to know that my participation might be quite subtle but it is there.

Members may wonder what my tartan is, what am I wearing today. This is an emerging tartan, as you can see. Gradually the colours will come out and demonstrate my love and support for the Scots.

Scots and Canadians of Scottish descent have played an important role in Canadian politics. My colleagues have named many of the people: Bishop Strachan, John A. Macdonald, Oliver Mowat, William Lyon Mackenzie King and, of course, the emerging Scot, Alvin Curling.

These days, as we speak about multiculturalism, it is often somewhat condescending to many Canadians. In fact, multicultural Canada encompasses all Canadians from all backgrounds. As we recognize and celebrate this day, it highlights the unique and equal contribution of all Canadians in forming what is our national cultural heritage.

Today, in what we call an experiment in multiculturalism—I do not think it is experimenting in multiculturalism—many Canadians celebrate their traditions because of cultural heritage. There are some people also who not only celebrate but conduct themselves in a religious tradition. Sometimes we talk about the traditions which are cultural and traditions which are religious.

I say to the Scots, people who have made a tremendous contribution to this country, to recognize those who are also trying to emerge and to make sure that their traditions

and religion are recognized. They should use their strength and the demonstration of their survival to assist those who are finding it quite difficult to establish themselves in this culture.

As a legislator, it is a great honour and privilege to point that out to my Scottish friends, who are great friends of mine and are always empathetic towards those causes. Today I stand in the House and commend the honourable member for Grey who sits on committees with me. I realize it is his strong background that has made him such a great individual.

Mr Jackson: It is with great pleasure that I rise today in support of my colleague from Grey and his resolution to designate April 6 as Tartan Day in recognition of Ontario's Scottish community.

At the outset, Mr Speaker, I would like to commend you for wearing your MacDonell of Glengarry tartan tie in the honoured position, in the Speaker's chair. Your riding of S-D-G & East Grenville is very rich with tradition. I know you make your home in Maxville, which is of course a very proud Scottish-named community.

Tartan Day is long overdue for Ontario, given the many and varied contributions the Scottish people have made to our province and our nation's history. In paying tribute to these people, it is a debt to Ontario and Canada that we owe to the Scottish heritage, and we are doing more than simply acknowledging one cultural group of the many that comprise what is the cultural panorama of Ontario today.

We are reminded that Scotland has a cultural heritage both proud and ancient. At this significant time of the year I am reminded of a historical event; when Oliver Cromwell became the Lord Protector he had forbidden the celebration of Christmas. The Scots, true to their nature, made silent protest by moving their Christmas festivities to the new year, thus creating their own unique version of Christmas called Hogmanay. It derived from the French, which was "au gui menay," or "to the mistletoe go." That became the earliest known Christmas and new year's celebration here in our country.

I would like to remind members, for the record, that Scottish settlers in both Upper and Lower Canada built many of our churches and brought with them a unique way of life which today has become an integral part of that which we call Canadian.

Perhaps the most distinguishing part of Scottish culture, however, is the tartan. I would like to take this opportunity to thank Mr James Kennedy, president of KLM Planning Partners Inc in Toronto, for lending me his family tartan tie today to wear. I appreciate that very much.

Today's tartan represents clan kinship and territorial ancestry. I am reminded that the Royal Stuart tartan is proudly worn by Her Majesty the Queen and that each province in Canada has its own specific tartan design.

Tartan Day is a way of calling to mind that heritage which includes the many celebrations of Scottish culture, festivals such as Robbie Burns Day, the haggis ceremony, Hogmanay, the bagpipes, kilts and, yes, St Andrew's Day.

Burlington, in my riding, was the home of Canada's first famous Scottish-Canadian, Adam Fergusson, who in

1833 arrived here with his family and built a uniquely designed stone house in our community which stands to this day and is owned by my friend Bob Elstone. Adam Fergusson became Canada's first Minister of Agriculture and, while on the senate of the University of Toronto, established Ontario's first agricultural college, which is today the University of Guelph.

Adam Fergusson also promoted an annual agricultural fair which developed into our modern Canadian National Exhibition, one of the longest-standing exhibitions in North America. Adam was strongly opposed to the revolt of 1837. He then moved to the town of Fergus, named after him and his family and the founder of his clan. The town continues to host an annual Scottish Highland dancing festival in honour of Adam to this day.

Personally, I would just like to say that the maiden name of my wife, Elaine, is Cuthbert, which is a family connected to the area immediately in the vicinity of Celtic Lindsfarne.

We believe these are times for Canadians to reflect about their identity. Truly recognizing Tartan Day is something that we as Ontarians and Canadians can do with pride. I commend my colleague the member for Grey for this fine resolution.

Mr White: I rise with great pleasure to speak on my friend's motion and to state that I am in full support of it and wish to see its passage.

We in Ontario have much to be proud of in terms of our heritage and our accomplishments. We should be particularly proud of the accomplishment the Scottish settlers have left with us. The history of Scottish settlement has been one of loyalty to Queen and country. Despite the problems the English have offered them, English and Scots have intermingled, and the English have fully benefited.

I am a descendant of the clan Drummond. This is the Drummond tartan, and my friend the member for Prescott-Russell is sporting a Drummond of Perth tartan which I have lent him. I believe he will be speaking next.

My friend Mr Gordon Lewis Mills, the member for Durham East, states that he has a clan name as a Christian name, the name Lewis. May I also state that he has a clan name as his first Christian name, the name Gordon. It is a typical way in which the English are blessed; they take all their names from us and then ignore them.

My friend should be aware of the history of how these names are given from mother to son, from father to daughter. Very simply, to give an example from my own family, when my grandmother Katherine Drummond married an Englishman, her children were named with their English surname and their clan name, Drummond. So my father's name was Alexander Drummond White and my uncle, who died in the last great war, was named John Duncan Drummond White. Duncan as well, of course, is a clan name, but always the mother's clan name descended to the children, which is why we have such names as Gordon, Stewart, Bruce, Murray, Duncan, Drummond, Douglas, Donald—all clan names, all examples, when we see them with English surnames, of the benefits this country has derived from the Scots.

1150

My friend has spoken of the historical issues in regard to Scottish settlement. I would like to say that we have an image of Scots as being dour, frugal, hardworking. They have had to be, because Scots, of course, settled in a country which at the time was hard, demanding and not very giving. Of course, they came from a country that was also hard and demanding, so we can certainly understand why they are frugal and hardworking. We see their descendants as also reflecting those values. We see their descendants as offering blessings to all of us now with our standard of living that is a benefit from their hard work.

Those qualities should be cherished, but the modesty that Scots offer, despite their loud tartans, I think is something which should also be cherished—that dour attitude.

We have in Canada a great heritage of Scots, a great heritage of Irish, of English, of French and as well, during the last generations, of people from many other countries throughout Europe and the rest of the world. But in speaking of those heritages, we have a Queen from England. We have the Welsh and what they have offered us. We have, of course, the French and their great heritage, and the Irish, who have offered us, at the federal level, blarney. We also have the regular celebration of St Patrick's Day, which is no doubt very close to Irish hearts.

But April 6, Tartan Day, is an important celebration, a waving of the flag, the flag of the tartans of Scotland. I am pleased to see so many of my colleagues sporting those tartans. I would like to leave for the member for Guelph, whose riding is quite close to Fergus, where the Highland Games are, some few moments to comment on those.

Mr Poirier: My name is not McPoirier; it is Jean Poirier, fourth-generation Franco-Ontarian. But I would like to support the resolution of the member for Grey to have April 6 designated as Tartan Day.

As members know, I come from the riding of Prescott and Russell, next to Glengarry county, an area that is very rich in Scottish history. I am sure my good friend the Acting Speaker, the honourable member for S-D-G & East Grenville, shares with me the pride of having so many friends of Scottish background.

It is the ties that unite groups like the French and the Scots that make Canada what it is all about, and this is what gives us so much of the pride we have in being Canadians. We celebrate Saint-Jean-Baptiste Day and now we will also be able to celebrate April 6. We celebrate the Glengarry Highland Games, you and I, sir, where we have the pleasure of hearing these bagpipes that are common to many of our cultures—including the French through Brittany—with pipe players like Allan Stivell from France, who was and is still quite successful with the bagpipe playing.

I want to make sure my friends of Scottish descent understand that the francophone community will be supporting this. We look forward to celebrating with them. I congratulate and thank my honourable friend the member for Durham Centre for lending me the Drummond of Perth tie, as I left my tartan ties at home this morning. I was celebrating a bit too much, I guess, last night. I also thank Ron MacDonell, our mutual friend from Glengarry, for

providing the clothes for our friend the member for Grey, which did a great favour to decency this morning.

I support and I congratulate the honourable member for Grey and I wish to indicate to him that I will be voting in favour of his resolution.

Mr J. Wilson: I am very pleased to stand today in support of the resolution which would declare April 6 as Tartan Day, a great celebration in Ontario and one well deserved because of our Scottish heritage, both in Ontario and also in Canada. With a name like Wilson, I am actually half Irish and half Scottish. I am very fond of both heritages. I apologize for not wearing the Wilson tartan today. Someone told me my tie looks like it was obtained at an Irish wake, and that is very possible.

I also commend my colleague the member for Grey for having the courage, because I discussed this matter on an open-line cable show I had last week and a lot of people said that with the removal of the Our Father, with the worries about Christmas concerts now in the schools and with the police officers no longer swearing an oath of allegiance directly to the Queen, "As politicians, you can't go declaring April 6 Tartan Day."

I said, "If there's one thing Mr Bill Murdoch has, it's a great deal of courage." He has come forward to celebrate his heritage and the contribution made by the Scottish people in our country and in our province. I commend the member for Grey for that, and I am very pleased to support him.

I remind the government that this resolution is only the first step. They must now bring forward a bill so we can actually declare April 6 as Tartan Day.

Mr Fletcher: I rise to let the member for Grey know I am supporting his bill. I am wearing my McFletcher tartan. I thank the member for Grey for supplying it. I know we have a multicultural society, and that is one of the major reasons I can support this resolution.

Mr Arnott: I am very pleased to say I am going to support the member for Grey's resolution today, as would be expected. As the member for Wellington, I am very proud to represent a great number of Scottish people. We have the Fergus Scottish festival in our riding every year. Approximately 40,000 converge on Fergus generally the second weekend in August. In 1992 it will be August 7, 8 and 9. It is a fantastic festival, Mr Speaker. I would not want to get into that debate with you, but you will know it is easily one of the best, if not the best, Scottish festivals in the province each year.

This year the first function is going to be the patrons and sponsors reception. Then we are having the tattoo, which I attended last year and enjoyed very much. The competition day is Saturday. Special events, Scottish sampler, will be on the Sunday, I believe. I would like to take this opportunity to invite all Ontarians to the Fergus Scottish festival.

Mr Speaker, I would also like to thank you very much for lending me this tartan today, since I forgot mine.

In the few brief moments I have, I would like to take the opportunity to speak about my own heritage. The Arnott name is not well known to be Scottish, but in fact it is. We were a very small and insignificant clan, and therefore have no tartan of our own. My great-great-grandfather,

Henry Arnott, emigrated to Ontario from Scotland in about 1850. He came from Crieff, Scotland, absolutely penniless, to Wellington county, where he became a householder farmer in West Luther township and worked very hard. I understand he exhibited all the fine characteristics of the Scottish community. He was, I am sure, very hardworking and very thrifty in his industry. Those sorts of things are what made this province the way it is.

My name is Theodore Calvin Arnott. I was named for John Calvin, the Presbyterian reformer discussed earlier this morning. I am very proud of that fact and proud of my Scottish heritage. I am very proud to speak in support of my friend the member for Grey.

1200

Mr Jordan: It is a real honour and pleasure for me to have the opportunity this morning to speak in support of my colleague's bill establishing April 6 as Tartan Day. I think we all realize this morning that the member for Grey is not only a good member but a real people person. The members saw the people who were out this morning in support of the member for Grey and his bill to establish Tartan Day.

My riding of Lanark-Renfrew, located in eastern Ontario, is alive with tradition and proud of its Scottish heritage. On February 22, 1815, a proclamation was published at Edinburgh to encourage settlers to proceed to the British provinces. True to their style, the Scottish settlers persevered. When they arrived, they found stands of timber and virgin land. The land was cleared, neighbours rallied and homes were built as they worked together with the others, the Irish, the English and now the multiculturalism. As a result, we have today the riding of Lanark-Renfrew.

In a sense of humour, I might close with the story of three clergymen sitting around talking about what they did with the Sunday collection. One clergyman, an Englishman, said he just threw it up in the air and when it came down whatever landed inside a circle belonged to him and the rest belonged to the Lord. The Scotsman said he threw it up in the air with no circle; whatever stayed up belonged to the Lord and whatever came down belonged to him.

Mr B. Murdoch: I would like to thank all those who spoke in favour of this bill. It certainly is wonderful that everyone here today has spoken in favour of it and I am sure that when it comes to the vote we will get everyone to pass it.

I certainly want to thank the members for allowing me to maybe break some of the rules. I want to thank the New Democratic Party for not making a fuss about that, because I wanted to introduce the people who were here from my riding. One whom I did not introduce—he is here also—is the former mayor of Hanover, Scotty Duncan. He promotes a Scottish tradition wherever he goes. He is sitting up in the gallery. I also have many other people from the Beaver Valley area who are here today supporting. We also have one of our pipe bands from the Beaver Valley that could not make it today, but some of the people who have played in it and have performed with it are here. Also, I have two pipe bands from Owen Sound that could not make it, but some of their members are here also in the gallery to watch this happening.

Grey county is well represented with Scottish heritage. That is what this bill is all about. We want to recognize our

Scottish heritage. Hopefully after today, after this resolution has been passed, the government will bring a bill forward and make April 6 Tartan Day so we can celebrate that each year.

Another reason April 6 was picked—I do not think anyone mentioned it—is that in 1320 Scotland declared independence from England. That is why April 6 is a special day for the Scottish people.

With that, I want to thank everyone again and thank everyone who came down. I see the people are coming back now. It takes a while for some of them to get through the metal detectors. This is why we had a problem. They did want to take all the metal off them. Then they would be standing here as I would be standing if I did not have my kilt on.

The Acting Speaker (Mr Villeneuve): The time provided for private members' public business has now expired.

GOVERNMENT CHEQUE CASHING ACT, 1991
LOI DE 1991 SUR L'ENCAISSEMENT
DE CHÈQUES DU GOUVERNEMENT

The Acting Speaker (Mr Villeneuve): Mr Morin has moved second reading of Bill 154.

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

Bill ordered for standing committee on finance and economic affairs.

1212

TARTAN DAY

The House divided on Mr B. Murdoch's motion, which was agreed to on the following vote:

Ayes—57

Abel, Arnott, Brown, Callahan, Caplan, Carr, Carter, Conway, Cooper, Cousens, Cunningham, Curling, Dadamo, Drainville, Eves, Fletcher, Frankford, Grandmaitre, Haeck, Hansen, Harnick, Harrington, Harris, Hayes, Hope, Huget, Jackson, Jordan, Klopp, Lessard, MacKinnon, Mammoliti, Marland, Martin, McLean, Mills, Morin, Morrow, Murdoch, B., Murdock, S., O'Connor, Owens, Phillips, G., Poirier, Poole, Runciman, Sterling, Stockwell, Sullivan, Sutherland, Waters, Wessinger, White, Wilson, G., Wilson, J., Winninger, Wiseman.

Nays—0

Mr B. Murdoch: On a point of privilege, Mr Speaker: I would just like to thank everyone for voting this way and say that the pipes will be playing at 12:45 on the steps just outside. I would like everyone to come.

Mr Curling: On a point of order, Mr Speaker: The member was not clear as to what type of music will be played by the bagpipes. I would like to know if reggae will be played this time.

The Acting Speaker (Mr Villeneuve): These are not valid points of order, but they are very informative.

The House recessed at 1217.

AFTERNOON SITTING

The House resumed at 1330.

MEMBERS' STATEMENTS

DRUG BENEFITS

Mrs Sullivan: Last March, Sandoz Canada received approval from the federal government's health protection branch for a new drug called Clozaril, used in the management of symptoms of treatment-resistant schizophrenia. It is intended for use for patients who fail to respond adequately to standard drug treatment or for patients who have developed intolerable side-effects on other drug treatments.

When the drug was approved in the United States close to two years ago, it was classified as a breakthrough product by the Food and Drug Administration there. Clozaril has been available for several years in Canada under the emergency drug release program. In Ontario, some 90 patients have benefited from the use of the drug.

However, last August the Minister of Health issued a directive that no new patients can benefit from the use of this breakthrough chemical therapy because no funding would be provided. This action was taken despite recorded documentation that Clozaril can help a large number of seriously ill schizophrenic patients leave hospital and begin to lead productive lives: 30% to 40% of refractory schizophrenic patients can be helped with this drug.

Ontario is the only province that is refusing access to Clozaril in this way. That the minister is holding up its use is an intolerable affront to individual patient rights. It is also a serious breach of the minister's responsibility to ensure adequate and full health care services for all Ontarians.

ONTARIO ECONOMY

Mrs Witmer: At a time when we are all aware of the depressing state of our economy, I rise today to urge the government to focus on job creation. The layoffs announced yesterday by General Motors underscore the fact that the job of every Ontario worker is at risk and that the economic forecast continues to be gloomy. Therefore I urge and implore this government to concentrate on creating an economic environment which will not only help maintain the jobs we have but also attract new investment and jobs to our province, instead of proceeding with the controversial labour reforms that will only hurt and cripple our fragile economic recovery.

I urge the government to increase research and development expenditures, to improve our training and retraining programs, to provide assistance to businesses that are struggling to maintain jobs for their workers and to help Ontario's industry adjust to new technologies, instead of driving away business and investment with a one-sided approach to amending our labour legislation.

Today I stand in this House and urge this government to make it a priority to provide the people of this province with the tools to compete globally so that the much-needed jobs become available for those who are so desperately seeking them.

BICENTENNIAL CELEBRATION

Mr Hansen: I rise today to inform the House of a very special occasion. On December 26, Boxing Day, Ontario will be 200 years old. On December 26, 1791, the Constitutional Act was officially put into effect, dividing Canada into Upper and Lower Canada. The date is often forgotten because we traditionally consider September 1792 as Ontario's birthday because that is when the first Legislative Assembly of Upper Canada met.

Celebrations are already being planned for the 200th anniversary of the province's first Legislative Assembly, because this has been known as Ontario's birthday. This year on Boxing Day I will be taking a moment to remember Ontario's past, because it is a very special occasion. I am asking all members of the House and their constituents to take time on December 26 to make a toast to Ontario's 200th birthday.

I would also like to take this opportunity to wish a Merry Christmas and a safe and happy new year to all my fellow members and their families.

FOOTBALL CHAMPIONSHIP

Mr Henderson: As the 1991 Argonaut Grey Cup victory recedes, I know all members will want to know of the other and no less significant Metro Football Championship won this year in a surprise victory by the Richview Collegiate Saints at the SkyDome on Wednesday, November 27.

Their opponents entered the contest unbeaten and heavily favoured. Richview Saints entered the SkyDome as underdogs and emerged as champions. Richview's unexpected passing attack helped them build up a commanding 14-0 lead after 10 minutes of play.

This game was exciting football. Richview embarked on a touchdown run after the opening kickoff, repeated a touchdown march after the subsequent kickoff and mounted a fine ground and pass attack taking advantage of key interceptions.

Congratulations to the Richview Saints and to all their supporters. I salute especially Richview's principal, Bruce Thorburn, coach Roger Reynolds, quarterback Paul Martin, every member of the team and the entire Richview student body who supported these fine athletes.

As we applaud this second Metro Football Championship I want only to note that the champions are represented in this assembly by a Liberal and their defeated opponents come from a riding that made some other choice, which goes to show, it seems to be, that winners know how to pick winners.

POST-SECONDARY EDUCATION

Mrs Cunningham: I have a Christmas greeting for the Premier from the student council at the University of Western Ontario.

It was one day in December
when Western U was annoyed,
There would be no money coming
no money from Floyd,

Some students were broke
 no money in their fist,
 With vain hopes that their OSAP grants
 still would exist.
 University classes packed,
 filled to the gills,
 Students clinging for life
 from the cold window-sills,
 The prof with her microphone
 and me far in the back,
 I couldn't hear a damned thing
 so I settled in for a nap.
 When over the campus
 there arose such a clatter,
 I squeezed out from my desk
 to see what was the matter,
 In a shiny black limo
 but who would I see,
 A figure in cashmere;
 I shouted with glee.
 Wearing glasses and tie,
 Hey, I'm not a knob,
 I knew right away
 that it was old Premier Bob.
 Close in behind
 in two dozens carts I bet,
 Came rolling along
 the Premier's whole cabinet.
 Much quicker than tree frogs
 his ministers came,
 And he heckled and shouted
 and he called them by name.
 "Now Floyd, now Frances
 now Shelley and Richard,
 "On Marion, on Tony
 On Elmer and Howard,
 "To the top of Thames Hall
 to the top of the hill,
 "We'll help good old Western
 it will be such a thrill."
 From out of his car
 fell a dozen large sacks,
 And the jolly old Premier,
 pulled cash from those packs.
 Now there's funding for classrooms
 and for new profs too,
 For safety on campus
 it's too good to be true.
 Help for pay equity
 and for new books as well,
 And into super classes,
 I started to yell
 When all of a sudden
 I started to shake,
 The laughter around me
 had caused me to wake,
 I should have known better;
 That was only a dream.
 It was silly to think
 we'd be helped by this Preem.

He sits at Queen's Park knowing
 he should give more,
 But if he doesn't help soon
 we'll have to show him the door,
 So Premier Bob Rae
 here's a message for you:
 This Christmas don't forget
 to give to old Western U.

UNITED WAY CAMPAIGN

Mr G. Wilson: I rise to congratulate the people of the Kingston area for not just meeting the target for the United Way drive this year but surpassing it. The figures are indeed impressive. The target was \$1,475,000 and the amount donated by the end of the campaign was over \$1.5 million. More is expected.

Of course, this result is especially pleasing at a time of such great need for the services of the 41 agencies in the communities of Kingston and Frontenac, Lennox and Addington counties. To have such success during tough times highlights the generosity of area residents.

One form of that generosity is the amount of time donated by the 36-member campaign cabinet and the more than 4,000 volunteers. The size of this team and its effectiveness are in part a testament to the past campaigns in our area that have not only raised large amounts of money but sharpened the skills of canvassers.

In commending everyone for the hard work and generosity, I would like to mention in particular the cabinet and its dynamic chairperson, Katherine Manley, most of whose waking moments this fall, and too many of the sleeping ones, were directed to this cause. Also tireless in their efforts in the campaign were executive director Peter Lea, campaign director Eyre Bien and labour staff representative Oliver Doyle.

I had the pleasure of attending an early morning meeting of the cabinet towards the end of the drive. Even though reaching the goal was in doubt, the atmosphere crackled with enthusiasm and confidence. It was, I believe, representative of a campaign that shows what good organization and goodwill can achieve in the face of daunting odds, and it certainly has led to a pleasing Christmas for the people in our area.

1340

SERVICES FOR THE DISABLED

Mrs Fawcett: My statement is directed to the minister responsible for disability issues. I want to bring to her attention the plight of the Ontario Action Awareness Association, for which her government has cut funding, resulting in the end of their activities two weeks ago, on December 6.

Their mandate was to promote awareness and abilities of persons with disabilities and to take action on any issue pertaining to persons with disabilities and their families. The association has travelled across Ontario to spread its message, trying to break down the greatest barrier for persons with disabilities, namely attitude, which is achieved only through education.

The association still has a waiting list of more than 100 areas requesting tours and return visits. The Liberal government funded the association from April 1988 to March 1991. After a long delay in responding to their demand, the government funded them for only six months, which they stretched into nine by closing down June, July and August. It seems the minister does not believe the association's president, Beryl Potter, is advocate enough for persons with disabilities. She has only spent 20 years of her life on this. She has not even received an acknowledgement of her November 14, 1991, letter.

When will the minister start acting as an advocate for persons with disabilities by helping groups like the Ontario Action Awareness Association, instead of using the future advocacy bill as a mouthpiece?

GOVERNMENT'S RECORD

Mr Cousens: Today I have the unique pleasure of ripping up an NDP membership card. Mr Joe Seguin of Windsor has sent me his card and authorized me to rip it up on the floor of the House. He says in his letter:

"I am not alone when I say that the provincial government body has fallen well short of not only its goals to improve the standard of living but moreover its promises made to the residents of Ontario during the last election. Honourable members, the fine people of Ontario are not stupid, as you make them out to be, most of us struggling day to day to make ends meet. We pay all taxes due without exception.

"It is time to stop the name-calling and childlike behaviour and act responsibly, with dignity and grace, and deal with the issues rather than taking the position that most grade school children do when they can't get their way. Grow up and stop spending my money like a kid in a candy store.

"I authorize you, Mr Donald Cousens, to tear up my NDP membership card on the floor of the House as a symbol to all government representatives. We the people are completely fed up with the bad policies and lack of responsibility that we have endured for the past 18 months."

I just want to take this special moment because I have never had it before in the House. I now tear up his card. I invite all NDP members to send me their cards and I will destroy them here in the House for them with great pleasure.

MOTORCYCLES

Mr Cooper: On October 24 of this year, I brought in a private member's resolution which asked the government of Ontario to promote the use of motorcycles. Several members opposite found this to be very frivolous.

I received a letter from the Bikers Rights Organization in Ontario, which wrote on behalf of more than 600,000 licensed motorcycle riders in this province. They wrote to tell me about the May program.

"In 1988, the Bikers Rights Organization, with co-operation from the other motorcycling groups in the province, began a public awareness program for the month of May. Locally, the program has received great response from the town councils that have been asked to proclaim

May as Motorcycle Safety and Awareness Month. Through mall displays and rides such as the Bikers Rights Organization provincial awareness ride from London to St Thomas—over 500 people joined this run last year—the public is reminded that motorcycles are back on the road and that they have a right to the same privileges as the car driver.

"The Look Twice Save a Life campaign is undoubtedly responsible in part for the reduction of motorcycle deaths since 1988. With such groups...across the province, this month-long campaign is proving to not only reduce accidents but also remove some of the misconceptions about bikers.

"A perfect example of the stereotyping that has caused discrimination towards the motorcycling public was made evident by the member for Simcoe West, Mr Jim Wilson. The referral to gangs invading someone's community and terrorizing the public wellbeing is beyond belief in this day and age. Indeed, the people of Fenelon Falls would be very surprised by this concept, when 10,000 bikers from every walk of life invaded the township during the annual Ride for Sight last June. In fact, the only problem reported by the police was from two local residents who attempted to drive after consuming too much alcohol. During a recession, the cash flow generated by 10,000 tourists was welcomed by the small community."

LEGISLATIVE PAGES

The Speaker: Before continuing with our routine proceedings, I would invite members of the House to join me in thanking our pages for the extremely fine work they have done on our behalf over the past four weeks. I know I speak on behalf of all the members when I say we are extremely proud of these young people and their contribution to our assembly. On your behalf, I wish them a very merry Christmas and a very happy new year, and hope they enjoy their holidays.

STATEMENTS BY THE MINISTRY

NON-PROFIT HOUSING LOGEMENTS À BUT NON LUCRATIF

Hon Ms Gigantes: It is with great pleasure that I report to the House on significant achievements in the production of non-profit and co-operative housing and the generation of tens of thousands of construction jobs across Ontario.

With the hard work and dedication of Ministry of Housing staff, three provincial non-profit housing programs—Homes Now, Project 3000 and Project 3600—will have reached full delivery by the end of this year. These programs were designed to address the housing needs of low-income families, seniors and people with special needs.

Comme le savent les députés, la récession et la dévaluation économique qu'elle a provoquée en Ontario ont eu de graves conséquences sur le marché du logement en Ontario. Notre gouvernement a profité de la réduction des prix des terrains et des coûts de construction pour produire plus de logements abordables et maintenir des emplois indispensables dans le domaine de la construction partout en Ontario.

In 1988 the previous government had begun an ambitious non-profit housing program, namely, the 30,000 units of Homes Now. When we became government, only 3,200 of the Homes Now units had actually received funding commitments.

We addressed this problem last spring. The approvals process was streamlined under my predecessor, the member for Windsor-Riverside, and 5,000 units were identified as suitable for rapid turnaround and awarded what we called "quick start" allocations under the Homes Now program. These and other efforts by Ministry of Housing staff and the non-profit and co-operative sector were enormously successful.

Today I am pleased to report that we have more than achieved our targets. Funds have been committed to sponsoring organizations for all the 30,000 units of Homes Now. Capitalizing on the current housing market conditions, our government will fund an additional 1,800 homes within the original budget amount. This means that by December 31, 1991, a total of 38,400 homes will be committed from the three programs.

In addition to these programs, our government announced the Ontario non-profit housing programs known as P10,000—they have wonderful titles for these programs—in this year's budget. The first 3,500 units of P10,000 were allocated this fall, and it is our intention to allocate the remaining 6,500 units before the end of next spring.

In the one-year period between August 1991 and August 1992, we estimate that over 25,000 homes from all existing programs have come or will come under construction, and it is estimated that we will generate over 27,000 jobs in 1992. I repeat: over 25,000 homes and 27,000 jobs—jobs for electricians, plumbers, carpenters, bricklayers and all those who work in related industries throughout Ontario. In fact, the construction of non-profit and co-operative housing accounts for more than one quarter of the total number of housing starts in the province of Ontario.

In our determination to help people during the recession, we will continue to work to ensure that more and more people have adequate, affordable shelter and we will continue to work to support workers and companies in the residential construction industry.

I am certainly glad to have been part of this effort. I would like to thank my predecessor within this government and previous ministers in other governments for the work they contributed to it.

1350

MUNICIPAL GOVERNMENT

Hon Mr Cooke: Today I am releasing a package of draft legislation that would make the decision-making process at the local level more open and the standards of municipal office clearer and more stringent. The draft legislation I am releasing for public consultation proposes significant reform in the areas of municipal conflict of interest, open meetings and the disposal of municipal lands.

I believe the current Municipal Conflict of Interest Act is unclear and unfair to both politicians and the people they serve. It is high time the legislation was strengthened and clarified.

Earlier this year, a conflict-of-interest consultation committee was asked to look at a broad range of issues, including what constituted an interest, how legislation should be enforced and how the Municipal Conflict of Interest Act could be expanded to include municipal staff. The committee's consultation included 24 public meetings held across the province last spring. The committee's report, released at the end of September, served as an excellent starting point for the legislation I am releasing today.

The new conflict-of-interest rules would require municipal councillors, school board trustees and public utility commissioners to disclose their assets, liabilities and sources of income upon assuming office.

I am pleased to report that the draft legislation responds to some of the comments and concerns I have received since the release of the committee's report.

In one area, the draft legislation will broaden the committee's recommendations on what is to be disclosed. Specifically, the draft legislation proposes that all assets, liabilities and sources of income be disclosed. But in response to some concerns about the impact of this section, we are proposing that the disclosure extend only to the existence of these assets and liabilities, not their value.

The draft legislation also proposes to limit the number of people obliged to disclose their assets, liabilities and sources of income. For example, disclosure would be limited to the member, his or her spouse, minor children and any companies owned by them. This is narrower than the committee's recommendations for the coverage, which included parents, siblings, adult children and children's spouses.

The draft legislation also proposes the establishment of a conflict-of-interest commission which would act on written complaints from the public. This central enforcement body would be created to relieve the electors of the sole responsibility for taking action against a councillor or a board member they believe has broken the rules.

Under the proposed changes, judges would have a wider range of penalties from which to choose once a breach of conflict has been proven.

The acceptance of gifts and benefits would be limited. As well, post-service employment would be restricted, so that for a period of six months councillors or board members would not be able to use their position or influence to gain employment with the council or board on which they served.

This package also includes draft legislation on open meetings. It is guided by the principle that people have the right to attend all municipal meetings. A limited list of exceptions would allow municipalities to discuss in private issues such as security, litigation and negotiations. The legislation would require council to establish meeting procedures in a procedural bylaw.

The third component of this open-government package is draft legislation establishing minimum standards for the sale of surplus municipal land.

Municipal councils have a large degree of autonomy in disposing of surplus property. There are no statutory requirements concerning municipal sales. In recent years, allegations of impropriety have brought into focus the whole process by which municipalities sell land. The draft legislation would require municipalities and local boards to adopt a fair and open process for the sale of land.

Members may recall that similar pieces of legislation on open meetings and disposal of municipal land were introduced more than a year ago but never passed. The legislation was widely circulated and many comments were received and reviewed in the process of drafting this legislation.

This package of draft legislation is being brought forward because of concerns that existing rules do not protect the public interest. Municipalities that already have rules more stringent than those proposed would be able to continue to apply those rules. This package of draft legislation recognizes the differences among municipalities and local boards. It permits municipalities a degree of local discretion in making additional meetings open to the public.

Governments have many increasingly complex decisions to make on behalf of the people who elect them. The public needs to know more about the efforts being made on its behalf by local governments across this province. Governments need to make greater efforts to show how all decisions are made, so that people can understand the difficult ones.

These are important issues and I encourage the public to comment on them before I introduce the final legislation in the spring.

I would like to indicate my appreciation to the previous Minister of Municipal Affairs, Mr Sweeney, who worked on the disposal of public lands as well as the legislation on open meetings. I also would like to thank the members of the committee who travelled the province to come up with the report a few months ago. The members of the committee are in the gallery today.

RESPONSES

NON-PROFIT HOUSING

Ms Poole: I am pleased to respond to the statement of the Minister of Housing. I welcome the minister's announcement that we are going to be able to fund 1,800 more non-profit homes than originally intended. That is certainly welcome news. Now, with construction costs and the cost of land lowered, is the time to build. I agree with the minister on that.

I hope the minister will also give credit to the previous Liberal government, which provided the groundwork and much of the direction in the area of non-profit housing.

The minister has also stated that this is going to generate tens of thousands of new construction jobs. That is very important, because right now the construction industry is absolutely reeling from both the recession and this government's legislation. When we had Bill 4 hearings, we had people from the unions and the construction industry who estimated that up to 60% of their unemployment was being caused by Bill 4 and the fact that apartment renovation and construction had completely dried up.

I urge the government to look at some of the projects it has already approved and is currently engaged in to check and make sure we are getting full value for our dollar. I do not think we can afford approving renovations for rooming house units at \$91,000 per unit. I do not think we can afford to spend \$5 million in places like Wawa, which is reeling from the effects of the recession. The people in Wawa need jobs. They do not need 40 units of housing that is going to cost \$5 million.

I hope the minister will take a look at some of these issues and take them into account.

MUNICIPAL GOVERNMENT

Mr Mahoney: I find it interesting that at a time in the history of this government when it is having such difficulty defending some of its own ministers and some of the things they have done—admitted telling lies and slandering Ontario physicians—it would then turn around and find it appropriate to tell our municipal leaders how they should behave. It is really quite remarkable.

Instead of worrying about the municipalities, 98% of which already operate under most of these guidelines, 98% of which have open meetings and a full public process for their ratepayers to come in, 98% of which understand the rules under conflicts and obey them—for a small percentage and issues like Fairbank Park. Instead of dealing with the rot that is setting in in this government, instead of coming clean with the people of this province and admitting they made a mistake and are going to remove that minister, they try to deflect everything and put it into some reannouncement of a reannouncement by the former government.

It clearly shows a complete lack of courage and a lack of understanding of what is important to the people in this province today. They are simply trying to pull the wool over our eyes once more.

1400

What in essence the minister is doing today is reannouncing the review from the spring of 1991. Why does he not give us a bill we can bring into committee and debate and get our teeth into? Instead, we are going to have more consultation, more uncertainty, more confusion and perhaps even more Fairbank Park situations. We are not sure. Now they are simply announcing a review of their review, which was a review of the Liberal legislation that was supported by the Association of Municipalities of Ontario.

Hon Mr Cooke: It's not true.

Mr Mahoney: The minister says it is not true. Of course it is true. That is exactly what it is. AMO has come out and said it is very supportive of the former Liberal government's legislation and would like to see some movement on it. They want to see some rules they can understand and work by which can be universal across this province and not simply leave it to the good municipalities which understand what is going on.

The other thing I suggest is that the second review, which was their review of our bill which died on the order paper, outlined that there would be some reference to municipal staff. I see no reference to municipal staff. I share the

comments from Hansard of the Premier when he was the Leader of the Opposition:

"I find it incomprehensible that the government would be talking about a coherent approach to the conflict of interest within a municipality without being able to answer clearly in the affirmative what conflict of interest rules, if any, should apply to municipal staff. It is difficult for me to understand, for example, how somebody who has a role in planning and development would not be clearly covered by conflict of interest rules and guidelines."

That was the current Premier then. It is not in their current draft, as far as we can see in this release. We suggest they are just wasting our time instead of dealing with the real business of this province.

NON-PROFIT HOUSING

Mrs Marland: In responding to the Minister of Housing, I would like to place on the record that the Progressive Conservative Party believes it is the responsibility of the provincial government to do everything possible to ensure that Ontarians have adequate and decent housing.

The irony of the statement from the Minister of Housing today is the fact that she is up on her feet announcing how many jobs her announcement is going to provide while she chose to ignore 4,000 people who attended a rally here about a month ago who were complaining about her rent control legislation that put them out of work. These are the same people she is referring to today: the plumbers, electricians, contractors and bricklayers. All the people she is now giving jobs to today she ignored a month ago and continues to ignore with the passage of Bill 121, which puts all the people who presently own rental accommodation out of business in this province. If this government would manage the economy, of course, it would not need to be in the housing business.

While we talk about government being in the housing business, I think it is important to recognize that the grandiose programs of non-profit housing really mean non-profit for the taxpayer but profit for everybody else. We are looking, by 1995, at \$1 billion in subsidy for operating costs, not counting the capital cost of building these programs. For \$60 per taxpayer we can look after 310,000 core need households, but this government is spending \$1,000 per taxpayer where \$60 per taxpayer would do. It is not a wise use of government money.

MUNICIPAL GOVERNMENT

Mr Eves: I want to respond briefly to the Minister of Municipal Affairs' statement. I would like to quote, "Our aim with this open-government package is to make the decision-making process at the local level more open."

That is very interesting, seeing as how the government members were whipped in committee this week to prevent the committee looking into Bill 143, GTA garbage going to the community of Kirkland Lake, whose mayor, Joe Mavrinac, happens to be in the gallery today. I am sure he would be interested to hear about the more open government preaching at the local level, but we who are telling the local government officials what they have to do, do not

plan on doing it ourselves. We are closed here at Queen's Park.

Mr B. Murdoch: I would like to speak on this paper the Minister of Municipal Affairs gave us today. I cannot believe he would bring things in like this. He is going to gut the municipal counties and councils in rural Ontario. A lot of people will not even make enough money to do all this red tape he is talking about. I cannot believe it. Then he has the audacity to set up a commission that they are going to have to pay for. I cannot believe this government is again going to download on the municipalities. All the government members seem to be able to do is download all their mistakes on to the municipalities.

Mr Stockwell: A brief comment on the announcement by the Minister of Municipal Affairs: It is literally the same as taking a howitzer to kill a fly. Most municipalities live by conflict-of-interest guidelines and they are well within their bounds. It is very unreasonable, I suggest, to go to all the municipalities and force these kinds of conflict-of-interest guidelines. The member just said there is a significant number of elected officials out there who will not even make as much money as it would cost to operate this commission or the board that is going to investigate them.

It is simply a case of an overreaction by this government, because municipalities do follow the conflict-of-interest guideline rules laid down today.

The other point—it was made very clear by one of the previous speakers—is that it seems incredible that the Minister of Municipal Affairs can dictate to local councils how they should manage their affairs when it comes to conflict-of-interest guidelines and appropriate actions they take as elected members, when the Premier has a member in his cabinet—and he wrote these rules—who has admitted to lying and slandering a doctor in this province. The Premier wrote the rules and he cannot even live by his own rules.

Government members think they are so mighty that they can suggest to municipalities how they should act. Let's be thankful that our local municipalities do not act like the government members here today, or we would be in one very fine mess.

Mr Mclash: On a point of order, Mr Speaker: The Minister of Northern Development and Mines was in Kenora and made a beautiful announcement that Kenora was going to receive the Dash-8 service. This is after she said for a number of weeks that we were not going to receive that service. Today we have heard a difference announcement and I really expected a statement—

The Speaker: To the member for Kenora, he does not have a point of order.

ORAL QUESTIONS

ONTARIO ECONOMY

Mr Bradley: I have a question for the Deputy Premier and Treasurer regarding the announcement that was predicted, I think, in this House a few weeks ago when I asked the Premier similar questions about the future of the automotive industry.

The Treasurer has gone through the process, as the member for Nickel Belt, that I and others who represent auto-making centres in the province of Ontario are going through, of looking at the very worried faces of people within the community; in his case the mineral extraction and the forestry industry, in this case the auto industry.

The Deputy Premier and Treasurer has had an opportunity to reflect upon that announcement. Could he inform the House what specific regulations, legislation and policies he is thinking of abandoning, altering or postponing as a result of this announcement, in addition to the Premier's suggestion yesterday that the government would—I do not mean to be inflammatory in saying this—capitulate to General Motors on the issue of pensions which he felt so strongly about back in 1988-89? I know he felt strongly about it then. The fact that he has capitulated is very significant in understanding the importance of this. Could the Treasurer illuminate us?

Hon Mr Laughren: First of all, I want to draw some distance between the action of this government on the pension regulation change. That has been in the works for about six months now, because it is fairly complex, and was not directly related to the announcement yesterday. I want to make that clear because I think there has been some misunderstanding about that.

Second, as the member opposite will know—and he is quite right to draw parallels between communities, because I live in a community that was devastated in the early 1980s with massive layoffs. I know what it puts a community through.

The restructuring General Motors is going through is not directed at the province of Ontario; it is a North American restructuring. There might be some impact in Ontario, and, as the member opposite knows, we do not know what that will be, but I have not heard anyone say that the restructuring, when it does affect Ontario, as I assume some of it will, is because of any particular policies of this government or any particular tax rules we have. As a matter of fact, most observers would comment on the productivity of the Canadian workforce, in this case, the Ontario workforce, and how competitive our health care system, for example, makes producing cars in this province.

1410

Mr Bradley: As a supplementary, the member has appropriately pointed out that the only factor the auto-making companies take into consideration is not any specific government, but it is an important component nevertheless. We will leave to the union and the company that aspect which belongs to the union and company to talk about, in terms of productivity and so on.

What I want to ask the Treasurer, however, is a question I asked his Premier a couple of weeks ago and, I have stated on many occasions in this House, I asked the Premier earlier this week.

Upon reflection now, and recognizing that the general business atmosphere in the province does have an influence on where the actual cuts or closures are going to take place, would the Treasurer indicate to the House whether he is now seriously considering withdrawing the tax on

automobiles in the province of Ontario, which in fact may not yield him all that much money but has a very symbolic effect? Would he remove the sales tax on automobiles sold in the province to spur the economy in that sector?

Hon Mr Laughren: I am not absolutely certain whether the leader of the official opposition is referring to the fuel conservation tax or whether he is specifically referring only to the retail sales tax.

Mr Bradley: Both the tax on the auto workers and the other one.

Hon Mr Laughren: I see. I am surprised that the leader of the official opposition, as a former Minister of the Environment, affectionately known as a "crusading" Minister of the Environment at the time, particularly by the business community, as I recall, would even hint that we might withdraw a fuel conservation tax, which of course has an impact on the environment. I am surprised he would even hint at that.

Nevertheless, I do understand, and I do not respond in this way to be at all provocative. I respond in this way simply to put it into perspective. The leader of the official opposition would perhaps do better, in my opinion, to concentrate on retail sales tax rather than the fuel conservation tax. At this time, no, we have no plans to reduce, lower or eliminate that particular tax.

Mr Bradley: Taking into consideration the fact that the Treasurer understands that by spurring the sale of new automobiles in the province he would put on the highways and the roads of this province automobiles which are more fuel-efficient and which have better emission controls, I expect he would be removing that tax and the sales tax. But that is not my question.

My question goes on to talk about hydro rates. Everyone in the province would recognize that for hydro rates, the actual cost of production is one component. The other is the social component the minister's government has embarked upon.

There are many people in industry—I was looking at a newspaper which talked about foundries, for instance. In view of the fact that we could see a circumstance where foundries, heat-treating processes, electroplating and forge shops and operations of that kind could virtually withdraw from the province—and some of those operations are part of General Motors operations—would the Treasurer implore his cabinet and his Premier to abandon the policy of using Ontario Hydro—I am not saying he cannot use other economic tools he has; I think he recognizes that—as a bailout for various areas in the province? That policy is reflected in a rate which is going higher and higher, and it is another factor that General Motors and its suppliers must take into consideration when investing in the province.

Hon Mr Laughren: I do see the rather tenuous link between Ontario Hydro rates and General Motors. I remind the member that we did not at any point in time direct Ontario Hydro to engage in any social policy in a willy-nilly kind of way. There had to be a very direct link between Ontario Hydro and the problem we were trying to resolve, whether it was Kapuskasing or the problems at Elliot

Lake, because Elliot Lake had become almost a creature of Ontario Hydro.

I must say, when I was looking at the proposed hydro rate increases, I scratched my head and thought, "What in the world is leading to these substantial increases at Ontario Hydro?"

Mr Bradley: Your policies.

Hon Mr Laughren: I point out to the member opposite that I believe almost half of the increase in Ontario Hydro rates comes from the capital cost of the nuclear programs in this province. Finally, because I know the members are getting edgy, surely to goodness the member opposite understands that Ontario Hydro must pay its way and must pay for the cost of those huge developments that have taken place in the nuclear field.

MINISTER'S COMMENTS

Mr Conway: My question today is for the Minister of Northern Development and Mines. I want the minister, as an honourable member of this Legislature addressing honourable members of all parties, once again to help me understand what she wants her honourable colleagues to believe happened two weeks ago tonight in Thunder Bay.

I want to ask the honourable lady again to tell this honourable House what she expects us to believe as to what happened two weeks ago tonight when she, as an honourable minister apparently of sound mind and long experience, went to a public place and completely out of the air, just completely out of a fantastic imagination, plucked a story that just happened to impugn the integrity of an Ontario doctor and that just happened to bear a coincidental relationship to a very active public debate in her own community.

Hon Miss Martel: I would be pleased to repeat again to this House, in the same manner as I have in the last two weeks, the incidents of that night. I had a very stressful day and a number of controversial meetings. At a reception, in the midst of a private conversation with a very small number of people, I made some statements which were unfounded and which were not based on fact. I lost my temper. I regret very much that I did that, but I did. I think I have taken every action I can to respond to that in this House and in public.

Mr Conway: So the honourable lady in this honourable place wants honourable members on all sides to believe that she, just out of whole cloth, imagined in the heat of that moment a story that just happened to impugn the integrity of an Ontario doctor and that just strangely bore a rather significant relationship to a very heated public debate in which she was actively involved for several days in her own community. This honourable lady also wants to have honourable members in this honourable House believe that having made all that up, three days later when the honourable lady found that there was a fairly strong reaction to what she had said, she initiated an apology, saying that it was without foundation. She apologized profusely for all that she had done in the stress and heat of that moment.

Hon Miss Martel: I am not sure what else I can add, other than what I have been saying over the last eight days

to the honourable members in this House and to the public. I became involved in a very heated discussion and I lost my temper. I wish I had not, but I did. I was travelling at the time. I was right across northwestern Ontario at a number of events. The moment I got back to Toronto on Sunday morning, I spent a good part of that day contacting those who had been involved, contacting them directly, speaking to them directly, ensuring that they knew the comments I had made were not founded in fact and apologizing profusely for the comments I had made.

1420

Mr Conway: I would finally ask my honourable friend the Minister of Northern Development whether she can appreciate how her friends and colleagues around this chamber, particularly those who have known her over the years—can she appreciate how in this honourable place honourable members, in the face of all that has happened and what information has come forward, might conclude that an untruth was told but that an untruth was not offered in Thunder Bay; that a truth was told in Thunder Bay and that an untruth has been told at another time and in another place?

Hon Miss Martel: I have said very clearly that the comments I made were not founded in fact. I am not sure why the member does not understand that or does not want to accept that, but that is the fact.

Interjections.

The Speaker: Order.

Hon Miss Martel: That is why I contacted those who were directly involved, to ensure that they very clearly understood that. I have offered my apologies. I have done what I think is necessary to respond to the situation, and now I would like to get on with dealing with matters in northern Ontario.

Mr Eves: To the honourable Minister of Northern Development: Earlier I asked the Premier when he became aware of the circumstances. He said he had a brief telephone conversation with the minister, but really the first opportunity he had to discuss this matter with her in some detail—and in fact did discuss the matter with her in some detail—was Monday, December 9.

I presume during that meeting the Premier made it quite clear to the minister what his standards and guidelines of conduct were and what the penalties would be for breaching such guidelines. Is the minister now aware of what the penalties would be and what the Premier's guidelines are?

Hon Miss Martel: During the course of that conversation with the Premier we talked very clearly about what I had done. I made him very much aware of what I had done. We agreed we would continue on from here.

Mr Eves: Without being too sarcastic, I am surprised I did not get a weather report of Venezuela, because that has nothing to do with the question that was asked either. The minister should give me a break.

I want to read to the Minister of Northern Development a definition in section 298(1) of the Criminal Code of Canada. "A defamatory libel is matter published, without

lawful justification or excuse, that is likely to injure the reputation of any person by exposing him to hatred, contempt or ridicule, or that is designed to insult the person of or concerning whom it is published."

I suggest to the minister that she has done everything in this section verbally instead of publishing it. Would she or would she not agree?

Hon Miss Martel: No, I would not agree. I have said very clearly to all members of this House what I have done and what efforts I have made to rectify that situation, and that I would like very much to get on to dealing with some very important matters that are happening in northern Ontario.

Interjections.

The Speaker: Order. The member for Parry Sound has the floor.

Mr Eves: The honourable minister has said as recently as a few moments ago that she knowingly said something that was untrue and totally without foundation in fact. In fact, she said she verbally did exactly what section 298(1) of the Criminal Code of Canada says you cannot do when you publish.

Section 300 of the same Criminal Code of Canada says, "Everyone who publishes a defamatory libel that he knows is false is guilty of an indictable offence and liable to imprisonment for a term not exceeding five years." What is the Premier's penalty for the same thing that she did verbally?

Hon Miss Martel: We have gone through this many times in this House.

Mr Eves: If it is a newspaper to the public, if you libel and slander somebody, you go to jail for five years. If you are in Bob Rae's cabinet, you apologize.

The Speaker: Would the member for Parry Sound come to order, please.

Hon Miss Martel: We have spent many days on this issue and I appreciate that. I have made every effort I can to respond to the members of the opposition, outlining to them very clearly what happened and what I have done in order to respond. I have done all of that in this House. I have been as public as I can about that and I do not think there is much more I can add to the question the member has raised.

Mr Harris: The minister is right. If the Premier lets her do whatever she wants, then why not do it? If that is the attitude, who cares?

LABOUR LEGISLATION

Mr Harris: My question is to the Minister of Labour. In just under three weeks the minister's travelling road show on Bob Rae, Bob Mackenzie and Bob White's labour proposals will begin. Let's face it: This process is viewed by everybody except the bosses of the unions as a sham. It is nothing more than a smoke-and-mirrors attempt to legitimize paying back his union cronies. In fact, the leadership of the Ontario Federation of Labour is so thrilled with the minister's plans that it has organized seminars to help him fight his battle.

How can the minister legitimately call this consultation, when not one proposal from business will be discussed, not one proposal from the ordinary rank-and-file union members will be discussed and not one proposal from non-union working men and women across this province will be on the table to be discussed?

Hon Mr Mackenzie: I would like to respond to the leader of the third party. I am not sure where he is getting his information. It is no more correct than some of the other information that is coming out about the Ontario labour relations process.

First off, I do not know why he calls it The Three Bobs Show. I do not think the Premier is on the road and I do not think Bob White is on the road. The minister is on the road, and I will answer to it.

Interjections.

The Speaker: Order.

Hon Mr Mackenzie: We have no objection to a fundamental disagreement in the direction government wants to take between us and the Conservatives, but I would like the leader of the third party to seriously think of the damage he is doing by his slanderous remarks about bosses of the union movement.

Interjections.

1430

Mr Harris: I can understand, when I attribute these proposals to the minister, his thinking that is slander. I would not want to be associated with these proposals. If he thinks that is slanderous, I am sorry.

The minister talks about a philosophical difference between me and my party and him and his party. I agree. But I am not talking about my party. I am talking about business. I am talking about working men and women. I am talking about union members.

Can the minister explain to me two things? First, why was the Ministry of Industry, Trade and Technology ordered not to send the proposals out to business when it wanted to do so, so business would know about the hearings and have the proposals? That we have confirmed. That is not slanderous. They were ordered. Second, why is it when in the recent poll 89% of union members—not Bob White, not the bosses who have all the power with him, but the members, the working men and women, the ones I and my party are fighting for—

Interjections.

The Speaker: I am so grateful that neither side is trying to be provocative.

Mr Harris: When 89% of the union members want a secret ballot for certification, why is that proposal not on the table?

Hon Mr Mackenzie: I cannot understand the position of the leader of the third party in his absolute dislike, it seems—although at certain times he wants to claim some connection with union members in the province. There was no deliberate preventing of any of the documents going out once we had reached the time we were prepared to send those documents out. Anybody can get a figure of 80%, 90% or 100%, depending on how he asks the questions.

Interjection.

The Speaker: The member for Parry Sound, please come to order.

Mr Harris: In spite of the fact close to 90% of union workers want a secret ballot for certification, the minister refuses to put that on the table. He really does not seem to realize and understand that his plans are already having a devastating effect on jobs in this province. The two propaganda pieces he recently released do not even address the loss of jobs or investment or investor confidence. I suggest to him that it is time to put payback time and his ideology aside. It is time for real consultation. It is time indeed, as all his rhetoric says, to bring business and labour together, not to drive them further apart.

I ask the minister again, will he invite business to put its proposals on the table? Will he invite working men and women who are union members—not the Bob Whites, the union members—to put their proposals on the table, such as 64% of union members agree that even if a majority of workers at a company want to belong to a union, membership should include only those who want to be in the union? Those are the union members. Will the minister put that on the table, because that is what they believe and that is what they want—not me, not big business, not non-union members, but union members?

The Speaker: Would the leader conclude his question, please.

Mr Harris: Will the minister put the proposals of working men and women and business on the table before he starts the sham of consultation on only the proposals brought forward by Bob White?

Hon Mr Mackenzie: I would like to touch on what I think were the three components of the leader of the third party's question.

One, I find it a little strange that he would suggest we deliberately deny the role of the elected leadership of trade union members in their locals.

Two, I would like to point out that the requirement for a no vote that is currently in the present legislation came, as far as I remember, from a Conservative government of Ontario and has not been changed in an awfully long time.

Third, in a very serious vein, I would like to suggest it is time the third party took a look at developing a constructive dialogue between business and labour, which we are trying to do, and not lead with all these provocative statements.

Interjection.

The Speaker: Will the member for Oakville South come to order.

Mr Stockwell: You guys have no right to lecture anybody. You've got liars and slanderers in the cabinet and you've got no right to slander anybody. I said "liars and slanderers." Want me to spell it?

The Speaker: Order, the member for Etobicoke West.

Mr Stockwell: I said "liars and slanderers."

The Speaker: Would the member for Etobicoke West in a calmer moment consider the language which was

used. I think he will agree it was not parliamentary and I would ask him to withdraw those remarks.

Mr Stockwell: I was just speaking to the point that the Minister of Northern Development admitted that she lied—

Interjections.

The Speaker: Order. Would the member sit down. I would ask all members in the House to come to order.

Interjections.

The Speaker: I would draw to the attention of all members of the House, especially for those members who are new to the House, that when asked to withdraw a remark, it is our practice and procedure and has been for a long-standing time that the member simply indicate if he or she is withdrawing the remark. No explanation is required.

Mr Stockwell: I will withdraw.

The Speaker: I appreciate the member's approach.

1440

SOCIAL ASSISTANCE

Mr Beer: My question is to the Deputy Premier and Treasurer. It concerns the government's financial priorities regarding children.

The minister will no doubt have seen in the paper this morning, "One Million Children in Poverty." The government, in its Agenda for People, set out, in talking about children in poverty, that the New Democrats would "increase social assistance rates to ensure that social assistance provides a real safety net for those who must rely on it in the short term, and that for those who must rely on social assistance, the amounts given permit them to lead lives of dignity and certainty." That is a quote from the Agenda for People.

We know that the one group in particular that has suffered under this government, the one group in particular that the government at each turn in the road has chosen not to help, is children and children in poverty. The Treasurer will know that in Metropolitan Toronto over 140,000 people use food banks, and in Ontario over 150,000 children depend on food banks.

What is the Deputy Premier and Treasurer going to do specifically to assist children in poverty and what is his time plan to get rid of food banks in this province?

Hon Mr Laughren: I will refer that important question to the Minister of Community and Social Services.

Hon Mrs Boyd: I thank the member for his question. He has voiced a concern that a lot of us have and that certainly this government has.

In the past year we have taken the position of doing a number of different measures to try and increase the family income for those people who are social assistance recipients so they will be more able to purchase the nutrition needed. In a debate held a couple of weeks ago, several members of our party indicated our interest in looking at the initiative of a child nutrition program in the schools. The Minister of Education, the Minister of Health, the Premier and I have had discussions about this and this is certainly an area in which we want to go.

We do not believe that the general existence of food banks, as they exist now, is the route to go because they are Band-Aiding a dreadful problem. We believe we need a much more creative process than that and we are working towards a policy decision to support that.

Mr Beer: I am sure all the children who have to go to food banks would be delighted to hear the rhetoric from the minister. We have had now almost a year and a half of this government with little or no action taken to directly help children.

The minister herself announced that there would be but a 2% increase in the basic allowance, well below the rate of inflation. Even when you include the amount for shelter it is still, for the first time in six years, below the inflation rate. What the children of this province need is direct help and assistance, not talk about maybe setting up a nutrition program, not talk about further intergovernmental committees.

Where has the resolve of the New Democrats in opposition gone when it comes to putting real help into the mouths and the hands of children? Will the minister give us a timetable today for when she will end food banks and how specifically she is going to help children who are in poverty?

Hon Mrs Boyd: I find it interesting that a former Minister of Community and Social Services, who was minister at a time when food banks were growing at a great rate, would take this kind of tack.

I am not going to try to give the member a definite date in terms of a timetable. That is not the way we are working on this. We are working together with the communities to try and plan a comprehensive program.

Over the last two years the increases we have made in social assistance, including the Back on Track proposals that came in October 1, are well over the inflation rate. What we have tried to do is stop the slip year program that used to exist. We are planning forward in terms of the cost of living, and it is our belief that over the next year we need the flexibility in our budget that is provided by giving a rather minimal across-the-board raise so we can do the rest of the reports in the program.

Interjection.

The Speaker: Will the member for Oriole please come to order.

PUBLIC CONSULTATION

Mr Turnbull: My question is to the Minister of Government Services. Last week he announced the establishment of a new \$1-million propaganda service dubbed by one of the press pundits as 1-800-NDP-CHAT. One million dollars was found for this exercise in political self-service when other valuable services could have been rendered with this money. For example, \$1 million would pay for 103 subsidized child care spaces for one year or the annual cost of educating 160 schoolchildren or 40 heart operations or reforesting 625 hectares of land.

My question to the minister is, at a time when the public service is under tremendous financial pressure, how

could he justify spending \$1 million in this phone PR scam?

Hon F. Wilson: We made a commitment to the people of Ontario when we took office, a continuing commitment to consult truly and openly. The process we put into effect last Saturday is part of that consultative effort, bringing together 13 consultative processes under one program. It is very cost-effective and very efficient and will give the people of Ontario the opening to the government we promised them. True consultation is a two-way process. It is not enough for a government to continually tell its people what will be and how it will be. They must solicit opinion, they must solicit expertise and they must solicit guidance from the people. We have done this and we have proved it on many occasions.

As far as the cost is concerned, had we done this process under a different guise, all ministries or commissions doing their own process, it would have cost much more money instead of the \$977,000.

Mr Turnbull: I presume that the Premier is sharing this example of his government's spending priorities with the first ministers today. In announcing this \$1-million hoax the minister said, "Listening to the views and concerns of the people of Ontario is a vital part of how this government creates public policy." I will tell the minister that I am hearing and all the members on this side of the House are hearing from the people that they are concerned about the high taxes and stupid spending of the government. How on earth can he be listening when he is exercising this exercise in self-promotion?

Hon F. Wilson: What can I say? I am sorry the member opposite takes that attitude, but I can understand it coming from the party to which consultation really means, "Don't give them anything they can't take." I will say it one last time. We made a promise to the people of Ontario to consult in an open and thorough fashion and that is exactly what we are doing and what we will continue to do in spite of the brandishments from opposite.

Mr Turnbull: You're not listening to the people.

The Speaker: The member for York Mills, come to order.

Mr Turnbull: You people are disgusting. There are food banks and yet you're spending more on this.

The Speaker: Member for York Mills, come to order, please.

CHILD CARE CENTRES

Mr Malkowski: My question is to the Minister of Community and Social Services. I have received many inquiries at my constituency office in York East regarding this government's child care conversion strategy. Several for-profit operators have expressed interest in this strategy and want to know how they change the status of their child care centre. Could the minister inform the House when and how this strategy will be implemented?

Hon Mrs Boyd: We need to enter into some discussions with the non-profit and for-profit sectors around the exact guidelines of the conversion. We have indicated what the general outlines will be and have indicated that early in

January, I believe the date is January 7, we will be having a meeting with the child care reference group somewhat expanded to include other representatives of the for-profit community so that we can work out how the exact guidelines will go.

I indicated previously in the House that we need to be fairly flexible because of the different circumstances the different child care centres have in terms of this policy. It will be a highly targeted policy, so we will need to be planning with communities in a very careful way about meeting the needs for child care in specific communities.

1450

Interjections.

The Speaker: Order.

Mr Malkowski: My supplementary question is, how does this child care conversion plan fit in with the longer-term child care system this government is working towards?

Hon Mrs Boyd: It is important for us as a province to look at a way to rationalize and streamline the provision of child care if we are going to expand it the way this government intends to. We see that the provision of quality licensed child care is essential if we are going to have an equitable policy of employment and an increase in job availability.

Mrs Caplan: Seventy million dollars could have set up six province-wide breakfast programs—breakfast, lunch and dinner.

The Speaker: Order. The member for Oriole, please come to order.

Hon Mrs Boyd: As we move towards that, we are taking the position that we need to spend our dollars, which we agree are not sufficient, in a non-profit sector as opposed to allowing those public dollars to be lost in profits to the private sector.

CREDIT COUNSELLING

Mr Mahoney: I am sure the Minister of Northern Development and Mines will be delighted to see the third question in a row going to the Minister of Community and Social Services, and that is where I would like to direct my question. With regard to the minister's announced cuts in credit counselling right across the province, many of us have received correspondence from across the province from people—

Interjections.

The Speaker: Order. Would the member continue with his question.

Mr Mahoney: Many of us have received correspondence from people concerned about the callous treatment this service has received by the minister. I would just like to share with the minister some of the concerns from an individual who is unemployed.

"One of the reasons the Honourable Marion Boyd gave for withdrawing government funding of credit counselling was that it is not a humanitarian service in a real sense. Isn't giving a man back his dignity and self-worth humanitarian?"

A single mother of a four-year-old boy who is on her own trying to raise this youngster, the biggest problems

being financial, said to the minister: "You say this is not a social service—in my eyes this is one of the most important social services going on."

The Speaker: Would the member place a question, please?

Mr Mahoney: Another individual said credit counselling involvement has taken the stress and anxiety out of not knowing what to do and helped this individual get back on her feet. She said to me, "The credit counselling program staff were like lifesavers." I have countless letters.

The Speaker: Would the member place a question, please?

Mr Mahoney: The minister says this is not a social service. She is just ignoring it. Can she please justify how she can say to all those people who are dealing with the stress and anxiety of the financial pressures they are facing in this recession—how she can justify cutting their hearts out and taking away this very important program from them?

Hon Mrs Boyd: This government certainly agrees that people need assistance in terms of their debt management. We also believe, and indeed so do many others in governments across this country including the federal government, that creditors are responsible frequently, in terms of the way in which they hold out great promises and encourage people to go into debt, certainly credit card companies, etc. There is a need for those creditors to be providing some of these services.

The federal bankruptcy bill, which we expected to be in force by now, certainly provides and requires for that kind of assistance to be given by creditors. We were hoping that the federal bankruptcy bill would be in place by the time this program had to be discontinued, but given the cutoff of Canada assistance plan funds, we have had to cut out all non-mandatory programs under the Canada assistance plan, which the debt counselling is to be funded under. It is no longer matched by federal funds.

We are going to work with those agencies, as we promised at the time of the announcement, to try and replace the service with those by the creditor agencies.

Mr Mahoney: You can imagine, Mr Speaker, when we have credit cards charging 18% to 24%, that they are now going to turn around and become socially conscious agencies and organizations and show a great bleeding heart in an attempt to help these people who have been so desperate. With what is she thinking when she actually thinks they are going to do that, and if that is the minister's goal, why not attack that particular problem and work with the financial institutions and talk to them instead of putting the burden on the backs of the people who are on the verge of bankruptcy?

If the NDP have truly thrown out their social conscience, why do they not look at it from the point of view of cost benefit? Let me share with the House: 20,000 cases in Ontario in 1990-91; \$40 million returned to the economy through orderly payment of debt arrangements by credit counselling. That is \$40 million.

The Speaker: And the supplementary?

Mr Mahoney: A large proportion of that would come back to the Treasury in the form of taxation revenue. This government had to put in \$1.9 million in subsidies last year.

The Speaker: Would the member place his supplementary.

Mr Mahoney: I suggest that if they did a cost-benefit analysis they would find out that the tax revenue was substantially more than the money they invested. On top of that, they would help the people who desperately need the help.

The Speaker: Would the member please conclude his supplementary.

Mr Mahoney: I am sorry, Mr Speaker. If the minister has decided to ignore her social responsibilities, will she at least look at the fiscal responsibilities, reinstate this cost-benefit program and help the people who need her help?

Hon Mrs Boyd: Mr Speaker, I would like to request that you look at the timing of that question and report back to the House.

In answer to the member's question, no, I do not intend to reinstate the service, but we are working with the debt counselling agencies and those who are concerned in order to attempt to have a service provided. We agree that the people who have offered it have offered a good service. That is not in question. Our question is what we can afford to pay and how we can afford to pay for services in this time of recession. Our decision is that we are going to attempt to find other ways to fund this—through the creditor agencies, as the federal government has suggested.

Mr Mahoney: On a point of order, Mr Speaker: The minister requested that you look at the time of the question. When we sit here and listen to the pontificating and the time the members opposite take to make their answers, I find it absolutely unacceptable that the minister requested that you look at the time.

The Speaker: Would the member take his seat, please. To both members, I keep a close watch on the clock. All members are advised that in order to get as many people as possible in question period, members should keep their questions short and to the point—

Mr Mahoney: How about the answers?

The Speaker: —and the responses short as well.

NON-PROFIT HOUSING

Mrs Marland: My question is for the Minister of Housing. Last Friday the Cambridge Non-Profit Housing Corp paid \$1.2 million, or \$228,571 per acre, to purchase a property known as the Wolfe farm. A year ago, that property was appraised at \$1.1 million. It is probably the only piece of land in Cambridge to gain 9.1% in this past year of devastating recession.

Jeannie Homes, the company that developed the adjoining neighbourhood, had last right of refusal to that land, but could not compete with "government intervention into the marketplace at prices exceeding current market value," to quote the company's president, Mr Colin Ager.

The Cambridge Non-Profit Housing Corp recently bought another property, on Anglerock Drive, at an even higher price, \$358,000 per acre—a ridiculous amount in the present economy.

The taxpayers of Ontario got bad deals on both these properties. Why are there no controls in the provincial non-profit housing program to ensure that non-profit corporations do not pay more than market value when they purchase land?

Hon Ms Gigantes: I am not familiar with the cases the member is raising. There are definitely guidelines within the operation of our non-profit housing programs to ensure that the cost of land is reasonable and comes within the maximum unit price when built. I will be glad to look into the two cases the member raises and report back.

Mrs Marland: The minister would only have to know about one. In fact, this is happening in a number of the proposals across this province. When the taxpayers of this province will be paying more than \$1 billion by 1995 to operate 115,000 units, it is getting to be a very serious concern.

Returning to the situation in Cambridge, there is one other question of many that needs to be answered. We must wonder if there is a need for a new non-profit housing unit being planned there at all. I have an ad here for vacancies in two other non-profit housing complexes in the same area. Another disturbing fact is that because of the end-of-year deadline for government funding, the non-profit corporation was allowed to circumvent the planning process which would have been required of a private developer.

Will the minister promise today to undertake an audit of the Cambridge Non-Profit Housing Corp and will she refer the process by which non-profit corporations acquire and develop land to the Sewell Commission on Planning and Development Reform in Ontario?

1500

Hon Ms Gigantes: I draw to the member's attention that I was able to report earlier today to the Legislature that the cost of lands that have been acquired by non-profit and co-op housing groups over the last year has been so much lower than anybody in this Legislature expected that we have been able to allocate more units under the existing housing programs than we had expected.

I will be glad to take a look at the particular cases the member raises, but she should understand that all the regulations that apply to any kind of housing project in this province apply to non-profit. In many cases, non-profit and co-op housing projects have run into the same kinds of delays and difficulties as private housing projects. We are working to try to straighten out that difficulty, because it is our objective to provide as much affordable housing as possible in Ontario.

GREATER TORONTO AREA

Mr Mills: I am going to ask a sensible question, because it is for my constituents.

The Speaker: To whom is your question directed?

Mr Mills: I beg your pardon, Mr Speaker. My question is for the minister responsible for the greater Toronto

area. My riding of Durham East is beset by many of the issues that will be addressed in the long-term strategic planning exercise which her ministry is addressing. There are pressures for urban development on scarce farm lands and green lands, improved human resources and transportation. Can the minister tell me how the GTA progress report will affect Durham East and my constituents?

Hon Mrs Grier: The progress report the member refers to is a report called Growing Together, which is essentially a consensus of discussion that has occurred over the past year, focused around reports initiated by the previous government: the urban concept study; the Crombie commission, which is the federal initiative for looking at green planning in the GTA; and the green land study.

The consensus that has come back from various municipalities and participants in that discussion has identified very clearly the need to take an ecosystem approach to planning in the GTA over the next 30 years, to address the need to manage growth as the population grows to an estimated six million and to identify the opportunities for economic renewal as well as for the provision of human services.

The issues the member raises as being important for Durham East are very much issues that are being debated and will have to be addressed as we look forward to growth-management planning and strategic studies for the greater Toronto area.

Mr Mills: Does the minister see the focus on this as co-operative with the municipalities involved? Would she give me a word on that, please?

Hon Mrs Grier: This has been very much a co-operative effort. I am pleased to be able to tell the member there are now six working groups comprised of both provincial and municipal officials who are looking at the various issues: how to develop without extending urban sprawl, how to apply the ecosystem approach to the preservation of green lands, how to look at the human resources in transportation and economic development that are required across the GTA. As a result of that consultation, we will have a working document early in the new year which can be available to the people in this area, because we very much want to involve not just municipalities but citizens and citizens' groups in the GTA as we go forward to plan the future of what is a very vibrant and healthy area, but an area that will have to make significant changes over the next few years.

MINISTER'S COMMENTS

Mr Miclash: My question is to the Attorney General. It is about NDP intimidation and abuse of power. He is going to want to listen very closely. There is a very important institution in Fort Frances called the United Native Friendship Centre. The centre is dependent on government support to offer its programs and services.

This week, and I find this hard to believe, the centre received a very disturbing call from the Attorney General's constituency assistant, Ms Mainville, asking that the centre write a letter of support to the Minister of Northern Development.

When the centre refused to be bullied into this goodwill extortion, it received another phone call from the Attorney General's personal assistant, Ms Fisher, here in Toronto. She confirmed that the Attorney General wanted the centre to write this letter of support for the disgraced Minister of Northern Development.

I must ask the Attorney General, why did he instruct his staff to extract this letter of support from the Native Friendship Centre, and does he think this type of activity is proper, given that his offices may well be involved in future investigations of this affair?

Hon Mr Hampton: This is the first I have heard of this matter. Although it has nothing to do with the Ministry of the Attorney General, I will certainly inquire at my constituency office to see if anyone has had any discussions with anyone. I find that hard to believe, but I will give the member an undertaking to inquire to see if the facts he alleges have any truth to them.

Mr Miclash: Is the Attorney General calling me a liar? I believe the people from northern Ontario who called me with these facts. He knows Mr Bruyere; he is not a liar either.

The minister's response just talks of the intimidation and arrogance we in northwestern Ontario are trying so hard to avoid. The real part of the whole scheme to extract favourable letters from vulnerable northern groups is that while the Attorney General puts pressure on the native centre on one hand, he refuses to answer its general correspondence on the other. They faxed me a number of letters that went to the Attorney General's office that were not even acknowledged in terms of correspondence.

I want to ask the Attorney General if he can tell this House and the people of northern Ontario whether he feels the actions of his office and his staff have been appropriate. I tell him they happened. Does he not realize that this action sends a signal to all our groups across the north that they are to be used only for the NDP when the NDP needs them?

I will really ask the ultimate thing for the Attorney General to do right now, to apologize to this group in his riding, this group that worked very hard on behalf of his constituents and my constituents. I want an apology for those phone calls that went to their group.

Hon Mr Hampton: I have already indicated I will make an inquiry with my constituency staff as to what may have happened here, but I think it is only fair that if the member has something in writing he turn it over to me now. I would appreciate it if he would give me a copy of the letter he has read from.

Interjections.

The Speaker: The time for oral questions has expired.
1510

Mr Conway: On a point of privilege, Mr Speaker: I hope you will take some note of the statements made by my colleague the member for Kenora. I appreciate that the Attorney General, as an honourable person, has received that information and is going to undertake to investigate, as I understood his response. But certainly if the allegations made by the member for Kenora have any basis in

fact, then I would submit to you that the privileges of all honourable members of this House are very much at issue in this controversy.

The Speaker: The member for Kenora indeed asked a question. A response was provided by the Attorney General. I understood him to say that he would be providing some information at a later date.

Mr Conway: Mr Speaker, on that point again, I do not mean to be difficult, but I submit to you once again that the point that has been made by the honourable member for Kenora is that he apparently has been contacted by constituents who have been contacted by the office of the chief law officer for the province. The office of the chief law officer for the province has been apparently contacting agencies that depend on provincial government transfers to contact the members of the Legislature to bring pressure to bear in support of the Minister of Northern Development. I submit to you that that is improper conduct for any member and I believe it intrudes upon the privileges of all honourable members.

The Speaker: To the member for Renfrew North, while the member for Kenora did not raise a point of privilege and although I do not believe there is a prima facie case of privilege, at the same time I of course am pleased to take a look at Hansard and the information to which the member has alluded.

Mr McLean: Mr Speaker, I do not often rise on a point of personal privilege, but I am doing so today. As I watch my expenses in my office as usual, being the true Scotsman I am, I sent out very few Christmas cards this year. No member received one. I want to wish them all a Merry Christmas and a Happy New Year. You too, Mr Speaker.

The Speaker: That is certainly one of the nicer comments I have heard today. I appreciate it.

PETITIONS

CHURCH OF SCIENTOLOGY

Mr Villeneuve: I have a petition here from the ministers of the Church of Scientology. It is to the Honourable Lieutenant Governor and the Legislative Assembly of the province of Ontario:

"Whereas we are clergy and members of many different faiths in Ontario; and

"Whereas we believe in the fundamental rights of all Canadians, under the Charter of Rights and Freedoms, to have freedom of conscience and religion; and

"Whereas our country and the province of Ontario are bound by this charter; and

"Whereas there are many faiths in Canada, both old and new, and these faiths, under the Charter of Rights and Freedoms, are free to practise on an equal basis without discrimination; and

"Whereas it is not the mandate of government to determine religious nature or interfere in God-given spiritual matters; and

"Whereas the Church of Scientology has been recognized to solemnize marriages in British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia and the Yukon, is

recognized around the world as a bona fide religious body and is long deserving of being registered to solemnize marriages in the province of Ontario;

"We, the undersigned clergy and members, petition the Legislature of Ontario as follows:

"To instruct the Ministry of Consumer and Commercial Relations to end their discriminatory practices and license ministers from the Church of Scientology to solemnize marriages in Ontario."

I have signed this petition and it is also signed by nine members of the clergy for the said religion.

OATH OF ALLEGIANCE

Mr Harris: I wish to present a petition to the Legislature:

"Whereas the government of Bob Rae has placed our heritage in danger; and

"Whereas we live in a constitutional monarchy; and

"Whereas a symbol of our national unity and identity has been removed,

"We, the undersigned, petition the Legislature of Ontario as follows:

"To immediately restore the name of Her Majesty the Queen to the oath of allegiance sworn by police officers."

I too have affixed my signature to this petition.

SMOKING AREA

Mr Bisson: I have a petition here from the people of Timmins who are petitioning the hospital board in our area for an area to smoke in. I pass that petition on to the table.

MEMBER'S COMMENTS

Mr Cousens: This is the largest number of petitions I have ever presented. They came in just today with regard to a very important human rights issue. It came from the Canadian Serbian council. I have them here with my name affixed to them.

"We, the undersigned of the Canadian Serbian community, are deeply offended by the statements about Serbs made by the Liberal MPP for Mississauga East, John Sola, on The 5th Estate and in several newspaper articles;

"We believe Mr Sola's comments to be racist and to have no place in Canadian society. We do not believe he is in a position to represent fairly all of the members of his riding, many of whom are of Serbian origin. Consequently, we believe he should not remain in public office."

I have signed this. I have asked for his apology. He has not given it and so the pressure continues. I present these to you, Mr Speaker.

POLICE SERVICES

Mr Harris: I have another petition. I am sorry I did not do the two of them together. The petition reads as follows:

"We, the undersigned citizens of the Bobcaygeon-South Verulam police district, Victoria county, are concerned about the increase of incidents requiring police attention in our community;

"Whereas we feel that the Ontario Provincial Police are not currently able to provide adequate services for these problems;

"Whereas we are concerned both for the safety of the citizens in our community and for the safety of the Ontario Provincial Police officers who patrol this area;

"We feel strongly that our community would be better served by a greater police presence in the form of additional officers to be added to our Lindsay OPP detachment,

"We look to your immediate attention to these concerns."

This is to the Lieutenant Governor in Council and the Legislative Assembly. I too have affixed my signature to this petition and it is signed by literally thousands of constituents of the region who, for some reason or other, wish me to present it and not their member.

COLLECTIVE BARGAINING LEGISLATION

Ms S. Murdock: On behalf of the Minister of Labour, to whom a petition was sent, I am presenting one where the undersigned would like to amend the Colleges Collective Bargaining Act, deleting items 6, 7 and 8 of schedule 1 and item 6 of schedule 2 and adopt the Gandz report of 1988. I affix my initials.

INTRODUCTION OF BILLS

TORONTO ISLANDS RESIDENTIAL COMMUNITY STEWARDSHIP ACT, 1991

LOI DE 1991 SUR L'ADMINISTRATION DE LA ZONE RÉSIDENTIELLE DES ÎLES DE TORONTO

Mr Cooke moved first reading of Bill 171, An Act respecting Algonquin and Ward's Islands and respecting the Stewardship of the Residential Community on the Toronto Islands / Projet de loi 171, Loi concernant les îles Algonquin et Ward's et concernant l'administration de la zone résidentielle des îles de Toronto.

1525

The House divided on Mr Cooke's motion, which was agreed to on the following vote:

Ayes-66

Abel, Allen, Bisson, Boyd, Buchanan, Carter, Charlton, Christopherson, Churley, Cooke, Cooper, Coppen, Dadamo, Drainville, Duignan, Ferguson, Fletcher, Frankford, Gigantes, Grier, Haeck, Hansen, Harrington, Hayes, Hope, Huget, Jamison, Johnson, Klopp, Lankin, Laughren, Lessard, Mackenzie, MacKinnon, Malkowski, Mammoliti, Marchese, Martel, Martin, Mathysen, Mills, Morrow, Murdock, S., North, O'Connor, Owens, Perruzza, Philip, E., Pilkey, Pouliot, Rizzo, Silipo, Sutherland, Ward, B., Ward, M., Wark-Martyn, Waters, Wessinger, White, Wildman, Wilson, F., Wilson, G., Winninger, Wiseman, Wood, Ziembra.

Nays-35

Arnott, Beer, Bradley, Callahan, Caplan, Carr, Cousens, Curling, Daigeler, Eves, Fawcett, Harnick, Harris, Henderson, Jackson, Jordan, Mahoney, Mancini, Marland, McClelland, McLean, Miclash, Murdoch, B., Offer, O'Neill, Y., Phillips, G., Poirier, Runciman, Sterling, Stockwell, Sullivan, Turnbull, Villeneuve, Wilson, J., Witmer.

ORDERS OF THE DAY

CITY OF TORONTO ACT, 1991

Mr Marchese moved second reading of Bill Pr25, An Act respecting the City of Toronto.

Motion agreed to.

Third reading also agreed to on motion.

CITY OF HAMILTON ACT, 1991

Mr Christopherson moved second reading of Bill Pr53, An Act respecting the City of Hamilton.

Motion agreed to.

Third reading also agreed to on motion.

TOWN OF WHITCHURCH-STOUFFVILLE ACT, 1991

Mr O'Connor moved second reading of Bill Pr81, An Act respecting the Town of Whitchurch-Stouffville.

Mr O'Connor: This bill will empower the town to pass a bylaw regulating prohibited dumping within the town.

Motion agreed to.

Third reading also agreed to on motion.

CITY OF TORONTO ACT, 1991

Mr Marchese moved second reading of Bill Pr85, An Act respecting the City of Toronto.

Motion agreed to.

Third reading also agreed to on motion.

CITY OF WINDSOR ACT, 1991

Mr Dadamo moved second reading of Bill Pr99, An Act respecting the City of Windsor.

Motion agreed to.

Third reading also agreed to on motion.

CHURCH OF THE TORONTONIANS ACT, 1991

Mr Harnick moved second reading of Bill Pr104, An Act to revive The Church of the Torontonians.

Motion agreed to.

Third reading also agreed to on motion.

FEDERATED WOMEN'S INSTITUTES OF ONTARIO, BAY OF QUINTE BRANCH ACT, 1991

Mrs Y. O'Neill, on behalf of Mr H. O'Neil, moved second reading of Bill PR109, An Act to revive Federated Women's Institutes of Ontario, Bay of Quinte Branch.

Motion agreed to.

Third reading also agreed to on motion.

CITY OF NEPEAN ACT, 1991

Mrs Y. O'Neill moved second reading of Bill Pr110, An Act respecting the City of Nepean.

Motion agreed to.

Third reading also agreed to on motion.

HOTSTONE MINERALS LIMITED ACT, 1991

Mr Curling, on behalf of Mr Miclash, moved second reading of Bill Pr113, An Act to revive Hotstone Minerals Limited.

Motion agreed to.

Third reading also agreed to on motion.

TASMAQUE GOLD MINES LIMITED ACT, 1991

Mr Curling, on behalf of Mr Miclash, moved second reading of Bill Pr114, An Act to revive Tasmaque Gold Mines Limited.

Motion agreed to.

Third reading also agreed to on motion.

1540

PITTSO TO MINING COMPANY LIMITED ACT, 1991

Mr Curling, on behalf of Mr Miclash, moved second reading of Bill Pr115, An Act to revive Pittsonto Mining Company Limited.

Motion agreed to.

Third reading also agreed to on motion.

SUNBEAM EXPLORATION COMPANY LIMITED ACT,
1991

Mr Curling, on behalf of Mr Miclash, moved second reading of Bill Pr116, An Act to revive Sunbeam Exploration Company Limited.

Motion agreed to.

Third reading also agreed to on motion.

PETITCLERC MINES LIMITED ACT, 1991

Mr Curling, on behalf of Mr Miclash, moved second reading of Bill Pr117, An Act to revive Petitchlerc Mines Limited.

Motion agreed to.

Third reading also agreed to on motion.

CITY OF HAMILTON ACT, 1991

Mr Christopherson moved second reading of Bill Pr118, An Act respecting the City of Hamilton.

Motion agreed to.

Third reading also agreed to on motion.

WEST NIPISSING ECONOMIC DEVELOPMENT
CORPORATION ACT, 1991

Mr Harris moved second reading of Bill Pr119, An Act to establish the West Nipissing Economic Development Corporation.

Motion agreed to.

Third reading also agreed to on motion.

MUNICIPAL EMPLOYEES RETIREMENT
STATUTE LAW AMENDMENT ACT, 1991

LOI DE 1991

MODIFIANT DES LOISEL CE QUI CONCERNE
LA RETRAITE DES EMPLOYÉS MUNICIPAUX

Ms Lankin, on behalf of Mr Cooke, moved third reading of Bill 151, An Act to amend the Ontario Municipal Employees Retirement System Act and the Municipal Act / Projet de loi 151, Loi modifiant la Loi sur le régime de retraite des employés municipaux de l'Ontario et la Loi sur les municipalités.

Hon Ms Lankin: I will not make any introductory comments at this time. We will move on with the debate.

Mr Mahoney: I have a number of comments I would like to make with regard to Bill 151 and some different insights to share with members. Having been a municipal

politician for almost 10 years, I have had some familiarity with the concerns.

Mr Conway: You have passed on the mantle.

Mr Mahoney: I have passed on the mantle. My wife is the new councillor in ward 8. The seat the Mahoneys held for about 10 years is now back in the hands of another Mahoney. Some people think I was overly influenced by Mayor McCallion at times, but now I can truly say I am overly influenced by the ward 8 councillor.

The role of municipal councillors has changed very dramatically. It has become a job that demands a tremendous amount of effort—full-time effort in many municipalities—particularly the high-growth municipalities. The responsibilities are really quite onerous. Until very recent years, unlike members of this august place and members of the federal House, who receive a pension after one election in a time period of five years, municipal politicians historically have had very poor remuneration and very poor services to back them up in doing the job for their constituents, and non-existent pensions.

I could tell members the story of the mayor of Malton, as he is fondly referred to, Mr Frank McKechnie, the longest-serving municipal politician currently sitting in office in the province—33 years in municipal office. I think he must be crazy. I believe that if Mr McKechnie were to retire tomorrow, after 33 years in municipal office, his pension would be almost laughable. It would be somewhere in the neighbourhood of a low four-figure amount on an annual basis.

Can members imagine any other job or profession that would require the kind of dedication in hours and the kind of hard work put in by a man like Frank McKechnie for 33 years of his life where he would not receive a pension he would at least be able to live on and enjoy in his retirement years? We are not sure that Mr McKechnie's retirement years are anywhere in the near future. He may go as long as 40 years or more in the municipal arena, but the fact is that the OMERS pension, from the point of view of the elected representative, has been really laughable and unfortunate.

I served also for three years on the Association of Municipalities of Ontario and met with councillors from small hamlets and other cities, municipalities, regional municipalities and counties on a regular basis all over this province and talked to them about their particular situation. Before I address the side of the staff, I want to spend a few moments talking about the men and women who serve us in many ways and in a very fine fashion as elected officials at the municipal level. I am quite proud that my wife has been elected in Mississauga in Peel region and will have an opportunity to carry on the tradition.

Mr Cousens: Conflict of interest.

Mr Mahoney: I have checked that out and it is not, actually.

The Deputy Speaker: The member for Mississauga West, please address the Chair.

1550

Mr Mahoney: I verified that with the Honourable Judge Evans and he quite assured me that it is not in any way whatsoever a conflict.

The Deputy Speaker: The member for Mississauga West, please address the Chair.

Mr Mahoney: I am just responding to the chirping.

The Deputy Speaker: There will be a period for questions and comments afterwards.

Mr Mahoney: I see. Then he could make it at that time.

At any event, this document affects those people who have worked so long and hard in serving their constituents. I have noticed, having come through the municipal ranks, that there is a tendency for provincial MPPs and federal MPs to dismiss municipal politicians, frankly, out of hand.

Interjection.

Mr Mahoney: I say to the Minister of Labour there is a tendency for them not to understand, unless they came up through the ranks, the hours, the work and the responsibility. Frankly, I found that it was quite common for me to receive phone calls when I was Councillor Mahoney at 2, 3 or 4 o'clock in the morning. It does not happen with the same regularity as an MPP because people, for some reason, do not seem to feel there is hands-on. It is removed and it is a higher level.

Mrs Sullivan: Now it's Katie.

Mr Mahoney: Now Katie gets the phone calls. We have switched sides of the bed and I have put the phone on her side so I do not get bothered.

But it is quite true that the media and the members in here who have not experienced the workload—I can tell them that when I served on council I had to put in 75 to 80 hours a week. I was out every single weekend at various functions, out in the evenings at two or three different functions. It is expected of you, frankly, because your constituents want to talk to their elected representative at the municipal level. They want to feel they have someone to whom they can relate. If you are involved at all in the community, you are expected to be out at all the various fund-raising and charity drives, be it the Mississauga News Christmas Bureau Fund or whatever any of us have.

At a time of year like this when there are many children in our communities who are starving and will not have a Christmas, it is the responsibility in many instances not only of the elected officials but of the staff in those municipalities to add to the already rather heavy workload they have in supporting these community events.

I am pleased to say that in my municipality and during my association in AMO I have found that the vast majority of the men and women who serve as municipal officials right across this great province are honest, dedicated, hardworking, community-oriented men and women, and frankly they should be remunerated on a fair basis for the amount of time they put in.

In some municipalities it is entirely possible for someone to be a municipal councillor and hold another job. In some municipalities they elect members of the fire depart-

ment or they elect teachers who can teach part-time, half-days or even full days, because the municipal councils only meet in the evening. My executive assistant, as a matter of fact, was elected to a small municipal council and has evening meetings but she is able to carry out her responsibilities and her role in working for me here at Queen's Park and is able to do so appropriately.

The pension benefits that would accrue in that situation would be related to the remuneration and would be tied of course to the cost of living and to a benefit package. In reality, there is a responsibility for these folks to work hard and to spend countless hours. I really have found that people do not understand the extent of that and take it as seriously as they should.

Having spent a few moments on the responsibilities and the role of the elected officials, a role that I understand very well, let me talk to members of this House about the role of the municipal employees, because aside from the elected officials, this is OMERS, and it will accrue to the benefit of the people who toil and serve the people of this province at the municipal level.

The extent of the services is really quite varied, whether it be working in the arenas and the park system keeping the parks clean and keeping them open and accessible, whether it be in monitoring the use of the soccer pitches and the baseball diamonds so that the infrastructure that has been paid for by the taxpayer and put in place, either under contract or by local municipal staff, or whether it be in the area of providing fire services.

I refer members to 1979 and the great train derailment in Mississauga. I was actually the acting mayor when that train went off the track and exploded, because Mayor McCallion was otherwise occupied at a function. I was on the scene, in fact within 300 or 400 feet, when the second explosion took place and I could actually feel the heat of that fire. We were rained down upon.

Hon Mr Mackenzie: You derailed the train.

Mr Mahoney: No, I did not derail the train. I do not think Hazel did either, although there are some who said they saw a middle-aged lady jumping on the train as it went through Streetsville. I am not sure if there is any truth to that.

Hon Mr Mackenzie: They probably thought you were suffering the after-effects.

Mr Mahoney: No, these are not the after-effects of that. This is how I normally act and feel.

I saw the courage and dedication of the firefighters, the police and many of the public works people. We lost an entire parks and recreation building on Mavis Road. It was literally levelled, and the parking lot was destroyed. Fortunately, there were no lives lost, but tremendous risks were taken by our municipal staff. Just to give members an idea of the kind of risk and the reason the staff deserve good pension benefits and salaries, we had to go back in after we had evacuated the city. You will recall, Mr Speaker, that it was the largest peacetime evacuation since I do not know when, certainly in North America and perhaps in the world.

It was an extremely frightening time for people because of the thought of this chlorine gas that could move at low levels in the ground, and the fear that it was getting into the river valleys and perhaps into the sewer system, working its way down through the storm sewers and even into the basements of many homes. It was a very stressful time for citizens. It was incumbent upon the staff, not the ones who were actually there fighting the fire and dealing with the potential of further explosions, but the staff who had to help evacuate the city and keep people calm. It was quite miraculous. They called it a miracle and I guess it really was when you think of evacuating a quarter of a million people and having no one killed and no one even remotely injured in such a traumatic time.

Much of that was due to the dedication and hard work of the staff of the city of Mississauga and the region of Peel. We borrowed staff from Brampton and Etobicoke. They came in through the lines to try to help out, to remain calm, to man the telephones at city hall. The member for Mississauga South will recall this. She was on council when I was there. She and I actually spent time manning the telephones at city hall with all the calls that were coming in. It was an extremely stressful time for everyone.

No one should be thanked more than the staff. Perhaps there were some who got more attention in the media, who got the thanks, etc, but I know Mayor McCallion for one, who was very active and courageous in leading our city through those tough times, would clearly agree with me that the staff in our city and the surrounding municipalities who helped us out were really tremendous. They showed courage over and above the line of duty and worked overtime without asking for any money. They just came and pitched in, brought food to the centres.

We went to the outlying areas as we moved people out of the city in a strategic way. We would evacuate within a certain radius and people would move. They were out of their homes, they had left their pets—I will get to that in a moment—and they were literally sleeping in high school gymnasiums and on the floors of plazas in the outlying areas.

Then a member of the staff would come in and deliver a message from central command headquarters and announce it was necessary to extend the evacuation area. I remember one in particular coming to me in a senior citizens' home. She was very white, very ashen and very frightened, frankly, yet she took the time and trouble and showed the courage to get the message to us that it was now time to evacuate the furthest perimeter, which at that time had gone to the west end of our city as far as Erin Mills Parkway, not far from Oakville. It was time to evacuate the entire area. It was an order that had come from command central where the fire chief, the police chief, the mayor, Chairman Bean and a number of others were actively making these decisions on a regular basis.

I was on the front lines, I guess you could call it, along with the municipal staff who worked so diligently and showed such tremendous courage in dealing with this problem. It was because of how calm they were and how responsible they were; that was one of the reasons that this evacuation was done with such great success.

1600

I say to members and to you, Mr Speaker, that one of the more interesting moments was when we discovered that, having been out of our homes and with the entire city empty, it was an extremely eerie feeling to drive around because a few of us stayed within the city boundaries to sort of keep essential services open. We saw streets with overhead wires that did not look at all like the streets we had been on just three or four days before. It was almost out of a science fiction movie. I recall sitting in my car on a high point in the city, looking out to the east towards Toronto and recognizing that there was nobody there. You could see there was nobody there. There were no cars; there was no activity. It was quiet, it was futuristic, almost beyond belief and it was very eerie.

I tell members that because we had to go back in. We found out that people had left in such a panic and in such fear, in many cases—panic is the wrong word; there was no panic but there was tremendous fear—and they left their pets behind in many of these vacated homes, all kinds, gerbils, budgies, cats, dogs. They left all these animals behind and they just rushed out, many of them in the middle of the night to the sound of a loudspeaker on a police car or a staff car, a public works car going by announcing that they had to evacuate their homes. Members can imagine the feeling they would get, lying in bed in the middle of the night and hearing a loudspeaker. I am not talking about 1942 during the war; I am talking about 1979 in peacetime in the city of Mississauga when everything would appear to be fine, and getting a municipal staff person or a police officer driving by your home at 3 o'clock in the morning, saying over a loudspeaker: "Attention, please. It is necessary for you to evacuate your homes. Please do not pack all your possessions. Simply get out of your homes as quickly and as calmly as you can."

Members can just imagine the fear. These people would be stopped. People would come running out of their homes in a panic, saying: "What on earth is going on? What's all this?" They would be phoning in frantic desperation to city hall, where the staff were manning the telephones and carrying on as much as they could with a certain semblance of normal business and they would say: "Are we going to die? What's going on? There's this terrible fear. Is there going to be another explosion?"

While the firefighters and the staff in the city of Mississauga were down at command central, which was extremely close to the trains that were all crumpled—the train cars were all broken and there were holes and in many instances there was even still a fire going on—they would go down and they would phone and say, "Is there going to be another explosion?" My God, they were really quite desperate. It was due to the calm, efficient approach of the regional police, of the municipal fire departments and of the staff that calm was maintained.

As I mentioned to you, many of these pets were left behind and we had to orchestrate a program, almost like a lift, if members can imagine, to go back into the homes of a city of 250,000 people and identify homes where there were pets inside and make arrangements to feed them. In many instances these dogs, some of them quite large,

could get pretty vicious, as members can imagine. We were trying to go in and put some food in there and they had not had food for four, five or six days. We had to orchestrate a move into these homes.

I remember an instance where a man called me at city hall and said a lady was without her medication. It was quite serious and her doctor could not be contacted, and he was frantic. We took this man and actually smuggled him in the back of one of the humane society vans back into his home to allow him to go in. We had to literally cover him up to get him through the police lines, because it was too difficult to explain and the police were being very rigid and not allowing people to come back in. This was peacetime in Mississauga and it sounds almost like Germany in the 1940s. The staff did this and they showed this courage and they took the man through. He was eternally grateful and got the medication for his wife and solved her particular problem. Then the staff had to carry on through the entire city, literally going door to door, finding a way to feed these animals.

I tell members this story because I believe our municipal employees get bashed unfairly quite a bit. So do our civil servants in all levels of government. It seems to be almost a national pastime that if you work for government we can kick you in the shins, yet my experience in my 10 years taught me that while you may have the odd bad apple in the barrel, the vast majority of the people who work in the municipal sector are really dedicated to the people they represent, and they feel that. They feel that they themselves actually represent, even though they are not elected. Their council is there and the council is obviously the one that is representing from an elected perspective. But there are many stories of municipal employees who have been employed by a particular city or town or region or county for dozens and dozens of years, some of them as long as Mr McKechnie, whom I referred to earlier, and some of them longer. You do not do a job like that, I maintain, when you just go to work and you do not like it and you do not get involved and you cannot wait to get off at the end of the day.

I will tell members the story of the commissioner of recreation and parks in the city of Mississauga, Mr Ian Scott, a tremendous friend of mine. Here is a young man who started out sweeping the inside of arenas as a boy growing up in Port Credit going to school and who wound up running the Zamboni, flooding the arena ice. He cleaned out the dressing rooms and worked in the parks department when he got a little older and went to university. He really grew up in the municipality, working for it and working his way through school, and rose all the way to become one of the top commissioners in the city. The city has just had a major restructuring. They have had some changes and they have moved rec and parks in with the fire department and done all other kinds of things and they have brought in a supercommissioner and that type of thing, but Ian has maintained his position.

I can tell members that Ian, when he walks around that city of Mississauga, can walk into any one of the arenas or any one of the soccer pitches on a Saturday morning and the parents know him and the kids know him and the

people who work in the facilities know him and they truly love this man. This man also loves the place he works at and for.

So it is more than a job. It is more than even just a career. It is a position that is almost a calling. I do not wish to overexaggerate it or oversignify the importance, but I believe that is true: It is almost a calling.

When I think back to some of the people in engineering, and Angus MacDonald and people like that who dedicated their lives to the city, who would deal with the developers coming in on a regular basis, furthering their plans and attempting to change things, you always had the confidence, as a member of council, that the staff would never let you down. You always had the confidence that the staff were truly on the side of the citizens.

I can recall the number of times that I as a councillor would hold public meetings and these staff would come out. My meeting would usually start at 7 or 7:30. It could be on any kind of issue. It could be a new plaza in a community, and members can understand how the people might not want it. It could be non-profit housing. I had more non-profit housing projects approved in my ward when I was the councillor than any other ward in the city. I very much believed in that. I was president of Peel Non-Profit Housing Corp for a year and I was on the board for nine years, so I was very committed, as an elected official, to doing it.

1610

I remember Peter Smith, the commissioner of housing, coming to me saying, "You know, we have to approve a group home for former psychiatric patients and we have to put it in this location," which happened to be in the middle of a community known as Sherwood Forest in Mississauga. It is a beautiful community of very large, expensive homes. Members can imagine what that first meeting was like, when I stood on the platform and announced to the 300-plus folks from that community that I was in support of this group home for former psychiatric patients that was being built there, and members can imagine the staff, who took the abuse initially.

I want members to know that through the dedication of people like Peter Smith and through the hard work of all the people at Peel Non-Profit Housing Corp we were able to show our community that this was indeed a good project; and there but for the grace of God go any of us. We were able to show our community, because of the dedication of the municipal staff in this instance, that this is really an obligation we have to all of society. These are not people who are mass murderers. These are not people who are even violent, as a matter of fact. If they were going to hurt anyone, they would hurt themselves before they hurt anyone else. We were able to work with the assistance of the staff to show the community that indeed this particular facility was not only needed on a province-wide and on a global basis, so to speak, but that the community could relate to it.

We set up a steering committee that was co-ordinated by a member of staff, again working very hard for its money and not getting the recognition it deserves, and co-ordinated through the office of Peter Smith, who was

the commissioner at the time. We set up a steering committee of residents who met with the residents in the homes in this community. Over a period of time, these people began to realize that all the fears they had initially were unfounded.

I was particularly proud to be part of the process, particularly proud of that community and particularly proud of the work the staff put in to help the community understand the significance of this.

I tell members that about two weeks after it opened in this community there was a suicide in the home. The ambulances and fire trucks all arrived and there were some phone calls from some citizens who were quite upset: "We told you this would happen." I said: "What do you mean, you told me this would happen? Do you know that there have been six suicides in your own community in the last year that were not part of this group home?"

I went on, and I have forgotten the numbers about the hundreds and thousands of suicides that take place in our province. We just saw a terribly tragic murder-suicide in the Brampton community, a young mother hanging her daughter and attempting to hang the second daughter. Thank God the rope broke on the second daughter and she lived, but then the mother hung herself.

These are the types of issues that municipal employees have to deal with on a regular basis. It is not just the elected official who has to take the heat. In fact, if the staff are dedicated to doing their jobs, in many cases they help to take the heat with, on behalf of and sometimes instead of the elected official.

That home is there today and that person was quite astounded to find out that there had been these types of suicides going on in the community. It is a real tragedy. Members can see the problems not only in the form of suicide but in violence in our community today as a result of the recession. Many people call it a depression, and I find it difficult to disagree with that analogy. It is a result of the pressure that people are under.

The question I asked today involves in many instances municipal employees, when we talk about eliminating services to credit counselling, when we talk about a government that has decided it is going to take a project that has been shown to put \$40 million back into the community through the dedicated work in many cases of volunteers and in many cases of agency employees, such as people who work for the United Way, but in many other cases of municipal employees who work with the people in difficulty.

In question period I talked about the mother of a four-year-old who said, "I didn't bring the four-year-old into this world by myself but I sure have to take care of that four-year-old by myself, and as a result I have tremendous financial pressures." She needs to have an agency and it is set up. It costs \$4.1 million a year to run the agency province-wide and it requires \$1.9 million in provincial subsidy. The balance comes, in one way or another, either from the United Way or the municipal tax base. In my community it is the Peel credit counselling services. These folks work together with our legal aid system, our welfare system, our mother's allowance, our education and all the facilities that are in place. They are all, in one form or another, either

employed by or connected to municipalities, either senior-tier or lower-tier municipalities. They are very dedicated.

Here we have a project that costs the province \$1.9 million. This is myopic thinking, frankly. I have not been partisan, I think the members opposite would agree, in this speech up to now and I do not want to get too partisan. But I really believe it is very myopic thinking, regardless of who the government is, to slash a program of \$1.9-million provincial subsidy that allows for \$40 million to be put back into the economy. The car payments that are behind go back to the dealer. When the dealer gets the car payment, he has to pay tax on it, and that is revenue in the government's coffers to allow it to do other things.

The municipalities do this, frankly, better than any of the senior governments, because we have to look at cost-benefit programs. The government members should ask themselves a question. It does not seem to me to be too difficult to understand. Would they invest \$1.9 million as a subsidy in a program that is going to return \$40 million back into the economic infrastructure of the province? Hands up, all who would do that. What do members think? No, I do not get any takers on the other side because they have been told they have to go along with this. They should justify to their residents how they can eliminate something that costs \$1.9 million of their tax dollars and generates \$40 million in revenue to the province. What would the taxes be on that, for goodness' sake? Would they be more than \$1.9 million? You are darned right they would.

Bear in mind, the minister says, "This is for the creditors." The people in the municipalities know they are not going to put this on the backs of the creditors. The government members are suggesting it is the creditors who are benefiting. That is the implication in this, that it is the creditors who are benefiting from credit counselling. That is exactly what the minister thinks. That is so much nonsense and such a tragedy at the implication of what it is going to do to the men and women who will suffer around this province that it is almost unthinkable to me that a socially conscious NDP socialist government would implement such absolute horror. It is almost unthinkable, but they have done it.

Now what we are going to find is that these people who are currently on credit counselling are now going to have no one to turn to. I will tell members how the creditors are going to deal with it. They are going to send it to a collection agency. They are going to hound these people. They are going to be pounding on their doors. They are going to be repossessing their automobiles. They are going to be foreclosing on their houses. It is absolutely atrocious at a time of economic misery like none we have seen since 1929. This government is turning its back on the men, women and children in this province who need its help the most.

They need the government's help not because they are bad people; they need its help because they perhaps made some errors in judgement, not because they have gone out and robbed a bank or robbed a Becker's store or something like that. They have tried to pay their bills and they cannot, so what do they do? They go to a credit counselling

agency and they say, "Please, will you help me get my life back in order?" These credit counsellors spend tremendous efforts and time sitting down with the people and doing both short-term and long-term budgeting and planning and then they contact all of these creditors, who this minister thinks are all of a sudden going to become magnanimous and say: "Well, gosh, you only owe me a couple of thousand bucks. I'll work it out. Give me \$50." They are not going to do that. They do not care. That is what we have collection agencies for. When the bill becomes overdue, it goes there.

What these credit counsellors do is get rid of the collection agency and say to the creditor, to the person the money is owed to, "Look, this individual, this mother of a four-year-old whose husband has run off and left her in a destitute financial situation, this taxpayer, this hardworking person who perhaps through no fault of her own has lost her job, or has to stay home because she cannot afford day care"—and then this government just scuttles all the private day care.

If members just think about it, this problem snowballs to a point where it is impossible to control it. So this poor mother, who has a cupboard full of debts, all she wants to do is go to the city or the region or the municipal office and sit down with someone there who will understand and who will pick up the phone and call Eaton's or Simpsons or whoever it is she owes the money to and say, "Look, we've got a problem. We're going to get you your money. We're not asking you to walk away from this debt. We're going to save this person from insolvency. We want you to work with us. We are the credit counselling agency in Peel," or the credit counselling agency in York, or the credit counselling agency in Kenora.

This recession is all over the province. We may think it is just here in Toronto, but it is not. As members know, I have been travelling for other reasons all over this province, from one end to the other. I have found that people are experiencing the same kinds of difficulties in the southwest as they are in the north and in the east as they are in the GTA, and they are very serious problems, financial problems and difficulties.

Many times it is the municipal people the strain falls to. It is the municipality, which is the closest level of government to the people, that winds up having to deal with it. What is going to happen is that this single mother of a four-year-old who has been left on her own and cannot pay her bills is now going to get harassed and intimidated by some collection agency and is now going to feel like a second-class citizen because she got herself into a little bit of financial difficulty. It is going to lead to stress. God only can hope it does not lead to the kind of outcome we saw in Brampton the other day. God only can hope that. But when you abandon people, when you abandon people on the seas of financial difficulty, they are going to sink. They are going to drown if we do not help them.

I just find it so hard to rationalize how this government, which has pretended to have the market cornered on social policy and caring for the people of this province, can just callously cut a program. If they do not like the social implications, what about the financial and fiscal re-

sponsibility of cutting a program that makes money, that generates money in the province, that puts \$40 million a year back into the pockets of the car dealers and the retailers—

Mr Stockwell: On a point of order, Mr Speaker: This is a very important speech and I think we should have a quorum for it.

The Deputy Speaker ordered the bells rung.

1624

The Deputy Speaker: A quorum is present. The member for Mississauga West.

Mr Mahoney: I appreciate the honourable member for Etobicoke West ensuring that there are some folks here to hear what I think are important remarks. For those who just came in, we are talking about the OMERS amendments, Bill 151, to the pension paid to municipal employees, and I was sharing with the House some of my experiences on municipal council and the dedication of the municipal employees. I was talking specifically about many of the employees around the province who work for credit counselling agencies that are funded in part by the regional municipalities or counties or even local municipalities and in part by this province. The point I was attempting to arrive at is that a single mother of a four-year-old who has been left on her own finds herself in financial difficulty.

A gentleman who wrote to me had been working and, due to layoffs, due to the recession, had lost his job and had no income. Yet he still has the expenses. He has a youngster going to school, in university, paying most of the costs, but he has to pay some of them. I understand those burdens. He is at the point where credit difficulties that would have been quite manageable under a scenario where he had a job, when his income was in place, are no longer manageable.

He is now asking: "Where do I turn? Who do I sit down with and talk to? Do I go to my parish priest? My parish priest is a wonderful man but he doesn't know the first thing about credit, never having had to deal with it. Who do I turn to? Do I turn to my elected officials?" We are just human beings. We all have similar types of problems. "Where do I go?" That was his question to me.

This individual was able to go to a credit counselling agency that would allow him to have some peace of mind and some dignity and rebuild his life without feeling embarrassed and without having to grovel.

I suggest that this minister's \$1.9-million cut in a program that generates \$40 million in revenue province-wide is just so nonsensical and damaging. It probably upsets many of the people in the municipal operations around the province, because many of them are now going to lose their jobs. The whole thing snowballs when we think of it. If a person cannot pay the debt to a local business, then the local business cannot pay taxes to the municipality and the municipality has no choice but to cut taxes, because people are not prepared to accept tax increases these days, nor should they be.

We wind up with municipal people being laid off, and when they are laid off, they are going to wind up in some credit difficulties because they do not have their income

any more and have nowhere to turn. They cannot pay their bills. We can see what an unbelievable effect one decision to eliminate credit counselling around this province, a revenue-generating service for this government, has and how it can lead to terrible, traumatic financial consequences for everybody, including municipal employees.

It is absolutely mind-boggling. I wish this government did not stick its head in the sand, saying, "The creditors can solve the problem; they will take care of it." I have already said how they are going to solve it. They are going to repossess what is theirs and not paid for. They are going to kick people out of their homes. This is the time of year when we could expect Scrooge to show up. Is this government going to act like Scrooge?

How does the Solicitor General, a former municipal politician, a former mayor of long-standing, good-quality service to his community, explain to the people in his community, whether they work for the municipality or within the municipality, that he has cut this service and does not really care how they figure out their problems? This was supposed to be the government with the heart. This was supposed to be the government that would carry this message to all of those little people in the community, whom it purported to represent. Those are the people who get in trouble.

The government does not need to help the big shooters, the friends of the member for Nipissing—although he purports to represent the unions, we know better—the friends of the Tories, the big businesses.

Mr Cousens: Come on now. What gives you the right to say that? I object to that kind of stuff. What kind of statement is that?

Mr Mahoney: The member can go ahead and object. Is he trying to tell me that all of a sudden Brother Harris represents the workers of this province? Give me a break. I grew up in a labour family.

1630

Mr Cousens: On a point of personal privilege, Mr Speaker: The honourable member, in his enthusiasm to make his point, is in fact casting aspersions on the character of the leader of the Ontario Progressive Conservative Party. He is trying to read into the intention of the leader of this party as it pertains to his position to support people in labour. For the member to come along and make the statements he just did is disparaging, disrespectful and totally unnecessary. It shows he really does not have any sense when it comes to understanding—

Interjections.

The Acting Speaker (Mr Villeneuve): Order, please. The honourable member for Markham definitely will have an opportunity, as soon as the member for Mississauga West has completed his remarks, to challenge and question. I hope he uses that opportunity.

Mr Ruprecht: On a point of order, Mr Speaker—

The Acting Speaker (Mr Villeneuve): I am sorry, I cannot recognize you, sir. You are not in your seat. The honourable member for Mississauga West.

Mr Mahoney: I am sorry that upset. I guess sometimes truth can hurt a little bit. But let me tell honourable members, I grew up in a union family. My dad, as members opposite would know, was the national director of the United Steelworkers, a job currently held by Leo Gerard. I have no idea how Leo got that job. I do not even know when the vote was. It is very mysterious. He all of a sudden left District 6 on Cecil Street and wound up in the national office. Confusing.

Anyway, he is there and I understand that the men and women who work on the shop floor at Algoma and at General Motors currently are under tremendous anguish. Is it not interesting? Could you imagine, in the days when the Premier was the leader of the opposition, if one week before Christmas the president of General Motors in Detroit held a press conference to announce the shutting down of 21 plants across North America, laying off 74,000 jobs, which will have a major impact on our municipalities, I suggest?

The Acting Speaker (Mr Villeneuve): Please allow me to remind the honourable member we are dealing with Bill 151, which has to do with municipalities.

Mr Mahoney: That is right, and that could have a major impact on municipalities, because that will affect the car dealerships in the municipalities, which may be put out of business. All of a sudden there are 74,000 fewer gainfully employed workers across North America. We have no idea how many in Canada; we have no idea how many in Oshawa.

I say to the members from Durham opposite, their constituents must be awfully nervous. Yet I did not hear anybody but us—maybe my colleagues did—standing up today and asking if there was any concern. I did not hear any private members at the beginning, before question period, standing up and saying: "Why would General Motors announce this one week before Christmas and say we are going to simply cut and slash a whole bunch of jobs?" We all know that line 2 in Oshawa is in jeopardy. We all know that.

Hon Mr Philip: We don't know that. How do you know that?

Mr Mahoney: I read it in the Toronto Star, so it must be true. It appears there is all this fear and unknown feelings going on. Could you not just hear the Premier sitting over here with great indignation, one week before Christmas, pulling out the bleeding heart speech, saying how draconian it is that General Motors would make such an announcement and frighten everyone, and poor children going without gifts. I could hear him saying that, and yet today I do not hear anyone.

I understand the Premier is off solving all the problems of the economic morass that he has exacerbated tremendously in Ottawa today, hobnobbing with Brian and Clyde and everybody. But one would think that somebody from the government would have had something to say, other than Bob White of course. We heard Bob White speaking on behalf of the NDP government.

[Applause]

The member for Chatham-Kent gives him applause. That is fine; we understand.

The Acting Speaker (Mr Villeneuve): Please, on Bill 151.

Mr Mahoney: All right. I know I got a little off topic there, but it is not really, when you think about it. What is General Motors to Oshawa? Could anyone imagine Oshawa without General Motors? Would there be any municipal employees left? What would it do to the tax base? It would destroy the tax base of Oshawa, of Windsor, of St Catharines. My colleague is not here, but could anyone imagine Oakville without Ford?

I say to my colleague from Oakville, the community would suffer tremendously, and so the spinoff—this is what is not happening. They are seeing major restructuring at General Motors. We have seen major restructuring at Ford and everybody knows about the major restructuring at Chrysler. We know they have had to do that to be able to compete in the global market.

Did it ever cause anyone any curiosity as to why governments do not restructure? Did they ever stop to think about how all we seem to do, whether it is the municipalities—I say to the Minister of the Environment, why—

Hon Mrs Grier: We have restructured.

Mr Mahoney: She has restructured nothing. She has brought in more red tape and more bureaucracy. She has created a greater mess in this province in the last year and a half than the last successive 10 governments have done; absolutely out of control.

They are going to put Sunday shopping in the hands of people who can take the decision to the Ontario Municipal Board. Can members imagine? The Ontario Municipal Board was set up to deal with planning issues. It was set up to deal with issues of concern to people in their communities that have to do with land use, that even have to do with the municipal employees, because without those projects, what is there for a municipal employee to approve, never mind correct, never mind deal with the problems of the infrastructure? What they have done is put in place a boondoggle for lawyers, who are going to continue to make hundreds of thousands of dollars trying to interpret their nonsensical Sunday shopping/common pause day, except for December, when we do not need to pause. It is absolutely laughable, the policies they have put in place. They are scaring people.

Now what we have is a Sunday shopping bill in legislation that the municipal employees are all going to have to understand because maybe they are going to have to enforce it. Do we need more inspectors? I would think we do. How many businesses would there be in Scarborough, I say to my friend the member for Scarborough-Agincourt.

Mr Phillips: A lot fewer than there were before.

Mr Mahoney: There are not many left.

Mr Phillips: They are leaving.

Mr Mahoney: They are leaving. They are going down the highway. But the ones that are there may decide they want to open on Sunday. So what is going to happen? We are going to have to increase the inspection department at a

time of decreasing revenues. The revenues are decreasing because the businesses are leaving, but the ones that are left want to open on Sunday. They do not just want to open on Sunday, they have to. They have to open.

I predict there are going to be mass examples of businesses defying this government, saying: "Put me in jail. Take over my business. Here are the keys. You expect me to close? How in God's name can I survive? How can I pay my bills? How can I pay my rent? You're telling me I have to close. I can't service the tourist industry, the people in the border towns."

What are those municipal employees going to do when they are told they have to go out and spend hours and hours investigating whether or not a business is open? For goodness sake, the members opposite should show some common sense and just allow the business community to open if it wants to, allow the people to shop if they want to and, guess what, allow people to work if they want to.

Mr Phillips: Then they can fund this OMERS thing.

Mr Mahoney: They have no chance to fund this OMERS thing because the reality—I have not even gotten to page 1 yet—the reality of the OMERS pension plan and the improvements is that we are doing something really good for municipal employees. The reality in my city alone is that there is an impact of \$500,000. Who is going to pay for that? The businesses that are closed on Sunday, are they going to pay for that?

We would like to get 60% of our revenue in our city and the same in many municipalities. Anybody who has been involved in municipal government knows there is a goal to get 60% of your tax base, your revenue, from the residential sector and 40% from the commercial-industrial sector.

Mr Stockwell: Etobicoke is better than that.

Mr Mahoney: I would doubt that they are, but if they are, that is wonderful. The reality is that in my municipality about 32% to 34% is all we get and we want to increase that. How are we going to increase that when this government is putting people out of business? What opportunity do we have for any kind of new economic growth when this government is creating a boondoggle that is destroying the economic infrastructure?

What these people think about is their social policy. The Minister of Labour has left. What are the new labour laws going to do to municipal employees' relationships with their employers? Under his law we need an electrician to change a lightbulb. Can members imagine? I can just see the grievances. What Bob Mackenzie and Bob White and Bob Rae are doing here is polarizing labour and business and polarizing labour and municipal government like never before.

1640

Just look at the reality. The municipal government has to deal with labour unions on a regular basis. Under this, the municipal employees—we all know that from time to time there are radicals within the labour movement.

Mr Hope: No.

Mr Mahoney: There are. Some of them even got elected here. It is beyond me how. We will correct that in a

couple of years. But we know there are radicals within the labour movement.

Hon Ms Lankin: Me.

Mr Mahoney: No, I do not think you are a radical, actually, but you have some yahoos over there who are.

Hon Ms Lankin: I was a radical.

Mr Mahoney: You were a radical? Well, you sure calmed down, I can tell you that.

The Acting Speaker (Mr Villeneuve): Please address your comments to the Chair.

Mr Mahoney: As a matter of fact, maybe the member fell asleep. Maybe she should wake up and show us a little bit of that radical fire. Let's get things cooking here.

But do members know where the impact on the relationship is going to come down? It is going to come down on the tax base, on the taxpayer at the municipal level. That is where it is going to come down, and the only option the municipal politicians will have will be to either cut services or raise taxes.

I ask members, what would they do? You cannot deficit-finance in a municipal government. You are not allowed to. You can issue some debt, but you are not supposed to issue it for operating. You are only supposed to issue it for capital projects, as my friend the member for Etobicoke West would remind me, that are approved by the Ontario Municipal Board. So what would you do? Your hands are tied. You either increase your mill rate to collect more taxes or you cut your services.

What services are you going to cut? There was a motion at Mississauga council—I am proud to say my wife fought against it—to cut the grant to senior citizens to pay someone to shovel their sidewalk or their driveway. There was a motion to cut it, brought in by the staff, and fortunately there were some people, including the councillor for ward 8, who spoke and fought strongly against that, saying that our senior citizens deserve our support at this time in their life and they deserve this small amount—what do they get—\$65. But that is how desperate the municipality is getting. They needed to save \$150,000 over a tax base of 450,000 people.

Interjection.

Mr Mahoney: That is how desperate they get. Fortunately, they did not cut that, and the member for Etobicoke West probably would have, being the callous type he can be at times. He probably would have cut it. But fortunately they did not.

Mr Stockwell: You've lost me now.

Mr Mahoney: I know, he is on my side, is he not? I had better be nice. Yes, he is a good guy. I withdraw that.

The reality is that the municipal employees in Mississauga brought this in because, guess what? They are facing an impact on this bill alone of half a million bucks.

I know AMO wants this. In essence, they came to us when we were the government and asked us for it. But maybe we should go back to them. Maybe we should find out if they still feel that way, considering the economic climate we are facing.

I highly doubt that anyone over there—particularly the Minister of Municipal Affairs, who chooses not even to be here during this debate of his very important bill—talked to them at AMO or talked to them in their municipalities. I asked the Minister of the Environment if she went back to her mayor and her alderman and said: "What do you guys think of this? What's the impact on your municipal budget?" I see the member for Cochrane South did, and I am delighted to see that, but I would suggest that very few of his colleagues did.

I did. I went back to my mayor and said, "What's the impact?" Mrs McCallion told me it is half a million bucks. That is half a percentage point in the mill rate in our city. That is pretty major when you are looking at welfare costs in the region of Peel escalating and 20% of the costs of welfare required to be paid by the municipal level—a system that I think is antiquated and outdated. I will admit we did not change it when we were in government. This government will not change it when it is in government, but maybe when we are back in government we will change it.

Mr Hope: When you're leader, right?

Mr Mahoney: When I am the leader; the member has it. We will make some changes, because we have a level of government which keeps passing on costs, passing on the burden of delivering services to our citizens, to the level of government that is closest to the people. Let me tell members I know how the people get hold of you when you are in municipal council and what they say to you and how urgently when they phone you in the middle of the night and demand to know why you are raising their taxes. We all know that the largest percentage of that is school boards, but there is still a major impact at the local municipal and regional level, and this bill alone is half a million dollars.

The Treasurer leaves without announcing the MUSH grants, without announcing the grants to municipalities, universities, school boards and hospitals. He just walks off and says, "They're going to have to wait until January or February," while he goes and has a Christmas turkey somewhere.

An hon member: Not a turkey.

Mr Mahoney: Not a turkey? All the turkeys are in here. Why are we not telling these people? They are doing their budgets right now. They will be clucking and the government can bet they will. They have completely thrown the waste management system into a mess. They had the thing under control. Many of them were ready to go to hearings. Many of them were ready to approve new landfill sites. Many of them would be dealing with the problem instead of sitting there waiting and saying, "My God." Hazel McCallion referred to the minister, with due respect, saying, "The lady on her white charger came into the arena and said, 'We're going to take over all this waste management. The municipalities don't have to worry about it any more.'"

They are worried about it because it is their land use the Minister of the Environment is messing with. It is their future growth and development that they need to increase their tax base that she is messing with. She just arbitrarily

froze any growth around Britannia—"I know best" emergency powers. What a bunch of nonsense. That has been planned. They know what they are doing in the region of Peel and the city of Mississauga. Even in Markham they know what they are doing, I would suggest to the honourable member. I am sure they do.

But no, the minister knows best. She has all the answers and she is just going to pile all this pressure on to the municipal governments at a time when they can least afford it. Let me tell the minister and every one of them: The municipal councils are not going to sit back and allow their residents to think it is their fault that their taxes have gone up. They are not going to sit back and simply say, "We're doing the best job we can."

Those municipal councillors and mayors are going to tell the people that it is this government that is callously passing on increased costs like \$500,000 in this bill, that is going to simply and callously pass on increased responsibilities without any attempt to fund them, that has put the landfill situation into a mess, that is closing beds all over the province—well, they are. They should not look at me like that. They know they are: callously, no alternatives.

Whatever happened to a serious attempt to get into community-based health care? Whatever happened to long-term care? Why do they not use the example they have in Sault Ste Marie, built by the Steelworkers? Why do they not use the example that was built by my dad and Johnny Barker and the local in the Steelworkers in the 1950s, where they built a community health clinic that is the pride of Sault Ste Marie? Why do they not show some leadership? They are supposedly buddies with Leo and Bob and Shirley and everybody else. They should show some guts and build some more of those facilities and work with the municipalities.

They could cut a deal, I am telling them right now, with the Chinguacousy health board in Brampton, with the auto workers and with the region to build the kind of facility that would deliver community-based, quality health care the same as they deliver in Sault Ste Marie. But they will not do it; they will not even try. They are stuck in their myopic thinking that the way to solve problems is to cut programs like credit counselling. Instead, it creates tremendous problems.

I understand they are new.

Mrs Caplan: Fifteen months is not new any more.

Mr Mahoney: I understand many of them did not even have municipal experience. The former Health minister, the member for Oriole, says 15 months is not new any more and she is right. I stand corrected. But the reality is that they do not act like they have any experience. They are simply making decisions that rebound on all levels of government, particularly on municipalities.

They need the government's help. This is Christmas. There are going to be some terrible times. Look at this headline, "NDP Creating Mountain of Human Misery." "The NDP government is creating a mountain of human misery with its meagre increase in social assistance benefits, poverty groups charge." These are supposed to be their buddies. These are the guys who voted for them.

Mr Curling: So they thought.

Mr Mahoney: I think they did. These are the people who thought that a socialist Ontario would be a good Ontario. Members should just listen to this, and this impacts on municipalities: "Food banks, poverty coalitions and MPPs were outraged by the 2% increase in food and clothing payments for the poor and the 4.5% annual hike in shelter allowances. The increases mean \$54 a month for a single parent with two kids." How much are shoes? Any idea? How much are running shoes, winter gloves, boots, a parka? I am not talking about something frivolous. I am not talking about Nintendo games or Ninja Turtles. I am talking about something to keep the kids warm.

1650

The Acting Speaker (Mr Villeneuve): I think maybe the honourable member could talk about Bill 151 as well.

Mr Mahoney: It is. Mr Speaker, do you know how many of these people who are relying on their OMERS pension are going to be out of work? This pension does not matter a damn because they are going to be unemployed, never mind paying into a pension. They are going to be out of work because this government irresponsibly is cutting at the very basis of its philosophy or at least—what is this, the Agenda for People?—what used to be its belief.

I thought food banks and poverty coalitions were in support of this government. They are upset about a \$54-a-month increase for a single parent with two kids.

Mr Drainville: On a point of order, Mr Speaker: I know the honourable member enjoys the mellifluous tones of his own voice, but we are here to debate the bill and I would like it if we could do that.

The Acting Speaker (Mr Villeneuve): I thank the honourable member for his advice. I have already reminded the member for Mississauga West on a number of occasions. I am sure he will continue to address the Speaker and speak on the bill.

Mr Mahoney: That really identifies the problem, I say to the good reverend. The problem is that he does not understand how all this is interrelated. He does not understand that the people who are suffering are the poor they have purported to care for with such glowing rhetoric over the years. I had to sit gagging and choking when I sat over on that side, listening to the hyperbole and nonsense that was being spouted from the mouths of many of the members who are now in cabinet, who are now voting for a lousy 2% increase for those men and women, those single parents, those kids who need clothes.

As the government puts the burden back on the people in the street, where does it think they are going to go? They are going to go right here. They are going to go to their municipalities and say, "The NDP won't listen to me." Members saw the people in the gallery yesterday and heard what they said. I will not repeat it, it was unparliamentary language, but I heard it and it was reported in the press.

The whole point is that what the government is doing is so destructive to the social fabric and infrastructure of the people it purports to care for in this province. It is

going to come back on the municipalities and the municipal employees.

Mr White: On a point of order, Mr Speaker: I believe the issue is not the 2% increase in Ministry of Community and Social Services funding. We have a bill in front of us.

The Acting Speaker (Mr Villeneuve): To the member for Mississauga West, Bill 151 as much as possible, please.

Mr Mahoney: Let me perhaps satisfy some of the members' concerns. I will come back to some of the points, see how they relate and see if I can wrap it up and put it in a little package with a bow on it so they might understand better and might see it under their Christmas tree. A lot of these people are not going to see a damn thing under their Christmas trees this year, not a thing. A lot of them are not even going to have food for their kids, for God's sake.

Mr Drainville: All we are asking is that you string two sentences together that have something to do with the bill; that is all.

Mr Mahoney: Municipal employees—if this satisfies the reverend, I am happy to do this—and elected officials across this province and at AMO have been requesting that the province update the benefits and financing of the OMERS legislation. Both the range of employees and elected councillors are covered under this legislation.

Members should follow me on this. I know it is difficult for them to understand this. They should watch my lips when I talk. Maybe that will help.

If you follow me on this, Mr Speaker, they have requested this for a reason. They are concerned about their future. They are concerned about their retirement. The reason they are concerned about their retirement is they are concerned about their kids, their families, their mothers and their mothers-in-law, and so they have asked—I should say hello to my mother-in-law and a Merry Christmas to Edna, while I am at it, but I will do that later.

Mrs Mathysen: Is she still speaking to you?

Mr Mahoney: She watches this faithfully. She really enjoys this. She particularly likes the member for Durham East over there. I think he comes from the same part of the world she does. I told Edna I would say hi to him.

These municipal employees are scared. The problem is with what the government is doing to this economy. It is not all their fault. I admit that. Mr Mulroney and some past decisions have led to some of the problems. There is no question about that. But with what the government is doing to this economy, these municipal employees say, "I'd better get this topped up as quickly as I can, because I am going to opt for early retirement." The ones who are close to retirement age are saying: "God, I'd better get this indexed because the economy is going to hell in a hand-basket. If I'm not careful, if I don't get this indexation through no matter what it costs, then I'm going to find myself finding my dollar shrinking when I go to buy the food basket I need."

Members know the example they use, where they bring out a shopping cart and what it costs and what it will buy. That is what this is all about. These people know that in 10

years' time, with the damage the government is building into the economic structure of this province, their dollar is going to be worth substantially less than it is worth today.

They also know their kids may be coming home to them because they cannot get a job. What about people like my age group, mid-40s, and they have kids who are perhaps late teenagers or early 20s? My oldest boy just turned 21 and he is in university and he is going to be out looking for a job. What is he going to do if he cannot get one? I am not going to let him line up at a food bank, for goodness' sake. What is going to happen to him? I have a 19-year-old taking commerce at McMaster. Will he be able to get a job in the municipality? Will he be able to get a job working for the city of Hamilton?

Will my 16-year-old be able to find a future in this province, when the government is turning over all the power to the labour leaders? Not the men and women in the rank and file; they are not socialists; they know better. They have the same wants and desires that everybody else has in this province. They want to put their kids through school. They want to make their mortgage payment. They want to pay for the car. They have a Visa card that is about to explode. They want to put food on the table. They want to buy something nice for the kids for Christmas. They do not want to own the pulp and paper mill. Does the government know that? They had no choice.

They did not want to buy that. What happens? They go in and ask them to take a pay cut. Do members know why? What happens in Kapuskasing if the pulp mill closes? The municipality loses tens, maybe hundreds of thousands, maybe millions of dollars. It would be millions. Members should think about it and extrapolate it out. The pulp plant closes. The pulp and paper mill closes in Kapuskasing. The steel mill closes in Sault Ste Marie. We are in crisis management where the solution now is that the workers have to buy the company, and how do they do that? They do it with deferred wages. They do it with pay cuts.

In Algoma, my home town, Sault Ste Marie, you have Leo Gerard, the director of the United Steelworkers, leading those people out on strike for four months at a time of unprecedented economic fear. He leads them out on strike and what are we facing? There is enough blame to go around. It is not all Leo's fault. Company mismanagement, I think, has been well documented. There are a lot of environmental concerns with that plant.

What is that going to do for the city of Sault Ste Marie? What is that going to do for Mayor Fratesi and his council and the men and women who work for the city of Sault Ste Marie? What good is their pension if they are put out of work? They have to wait until they qualify, either with years of service and age and the magic formula kicks in, or until they simply reach the age of 65 or until they are in a position to take early retirement. For someone to think this bill is not very clearly related to the economic problems in this province clearly tells me that these people do not have a clue what is going on in this province.

The city of Windsor, the closures, the employees affected year to date—these are layoffs—184 at A&P retail stores. Atlantic and Pacific laying people off? They are doing it all over the province. Last weekend I was in

Timmins, Sault Ste Marie and Sudbury, and in our briefing notes we received all the latest statistics and data on the people who were laying people off. In the Sault, Atlantic and Pacific are laying off. Why? Why would members think? There are not enough people buying groceries. They are buying them across the border when they go over to fill up the gas tank. As a result, this government is going to bring in legislation that is going to force those stores in the Sault to close down and have a common pause day, except for December.

Does the government not think that affects the municipalities? Let me tell members, it sure does. Atlantic and Pacific is not being irresponsible or being a bad corporate citizen. They are saying: "The cash register's not ringing. Nobody's buying groceries." One hundred and eighty-four people laid off. What are they going to do, go and work for the government?

1700

I believe that ultimately that may be the hidden agenda. We now have one in 10 people in this country working for the government as it is. I am embarrassed and ashamed to say we have 52% of the population in this government under NDP socialist rule. I believe the absolute stated goal of NDP philosophy would be to have more people working for the government than less. Then what will we have to do? We will have to put more provincial money into pension funds to make sure everybody has a guaranteed annual income. Would that not be a wonderful world? It is called, "Share the wealth." There is nothing wrong with sharing the wealth as long as you do it through some incentive and some opportunities. How about guaranteed annual opportunities instead of guaranteed annual incomes? Would that not be radical?

We have people closing. When they lay off 184 people in Windsor at the A&P store, do members think that affects taxes at the municipality? I wonder where those people live. I presume they live somewhere around Windsor, a fair assumption. I presume a number of them own a home. I presume that if they own a home, they pay taxes. I presume that if they rent an apartment, part of the rent they pay goes to the municipality for taxes. It seems a fair assumption to make. Members can see that the municipality is going to lose revenue in Windsor because A&P laid off 184 people. They cannot pay with what they do not have. We cannot afford to have everybody in Windsor and other parts of this province on unemployment or welfare.

Members can go back to the argument I made five or 10 minutes ago about the Minister of Community and Social Services cutting the credit counselling. Many of these 184 people in Windsor who have just lost their jobs at the Atlantic and Pacific Trading Co may have, probably do have, some credit problems. They are probably going to have trouble paying even the electricity in the house, the heat and the credit card bills. Never mind what they are going to buy for Christmas; they are going to have trouble buying groceries. When they have all that trouble, they are going to have trouble buying and paying taxes.

When they cannot pay taxes, they are going to call their municipal elected representative and ask, "What the heck are you guys doing?" If the impact in Mississauga on

the OMERS pension fund of the amendments this minister is bringing in—let me just take a guess here—is \$500,000, would it be safe to say it is \$150,000 or \$200,000 in the Windsor community? It is probably more, but let's say it is somewhere in there. When they lose revenue, they lose the ability to deliver the services to the citizens of Windsor. When this government comes along and says, "We're going to force all the stores in Windsor to close on Sunday," it means very simply that it is directly damaging the business community, closing down stores. When that happens, the municipality loses revenue.

So I say to my friend opposite that it is quite clear that the economic impact of some of the government's decisions—and it cannot deny they have an impact. It cannot deny that its Sunday shopping legislation has an impact on the economy. Whether the government members agree with it or not is irrelevant. If they agree with it, fine. They are the government; they have a right to govern. But they cannot deny that it has an impact. I say to all members opposite to be honest with the people and admit that it has an impact.

If it has an impact on the economy and it puts people out of business, then it costs the municipality revenue. When the municipality loses revenue, how does it pay for this? How does Mississauga pay for the \$500,000 the government is handing it here? When I ask that of the minister in the House, he just ho-hos me and says, "Give me a break," and gives smart-aleck remarks back instead of trying to address it. He did that time. He has been a little more civil lately. Maybe it is Christmas cheer, I do not know, but he did that time. He considered it flippant and irrelevant. That is nonsense.

I work for them too. I work for the elected officials in my municipality. They are residents, they are ratepayers, they pay taxes in this province. The former Swedish government was a socialist government that the good people of Sweden had the common sense to turf out on the street. It was there a long time, and guess what? When it left, Swedish people were paying 70% tax; only one tax, though. There were no consumer taxes.

I was in Sweden a few years ago with a young hockey team that I was coaching and that I took over to Europe. The people over there said, "We have everything paid for, but we only get to take home 30% of what we work for." So they threw the government out and they did something really drastic. They reduced the tax burden on the people in Sweden under a democratic government, not a socialist government. They reduced it by 20% and they are hopeful of reducing it further. That is what we need to do here. But what does the government do? It has put in place a boondoggle and opportunities that are going to increase taxes beyond their wildest vision. People today are paying taxes in the neighbourhood of 70% right here in Ontario. When members add up, they should think about it.

I will tell members of the photograph in the newspaper of Paul's Garage. This is interesting. It had one of those mobile signs and it advertised some things. It said on it: "Paul's Garage. Our price includes the PST, the GST, the EHT, the MBT, the MPT, the UIC, the WCB and the CPP."

The line underneath the picture said, "We would have included profit, but we ran out of room."

What does that tell members? We have overburdened our business community beyond any reasonable level. We have put a strain on the business community, which says it cannot afford to pay the taxes to the municipalities and yet the people who work for the municipalities are worried about their jobs and their kids' jobs. I do not understand why the members cannot see that. I do not understand for the life of me why they cannot understand. What we have here is called market socialism.

We have a Premier who stands up and says to the municipalities, "Don't worry about your grants." He will not even tell them what the heck the grants are. How do the members think they would feel? The municipalities are like the workers at General Motors, for goodness' sake. They are waiting for the axe to fall. They are waiting for the Treasurer and the Minister of Municipal Affairs to announce in January, February or March that they are going to flat-line grants.

Is that what they are going to do? They are going to flat-line grants at a time when they are passing on, through this bill alone, an increase of \$500,000 to my city and millions and millions of dollars across this province, and they will not tell them what it is going to do, which leads me to believe they are not making them sweat particularly on purpose. They are probably coming up with a scheme that is going to put more responsibility—the Minister of Revenue should probably stay because all this government needs is a Minister of Revenue. All they are good at is raising revenue. They do not understand that to budget every two or three weeks the Treasurer has to find a couple of billion that fell down a dark hole somewhere, yet they expect the municipalities to just absorb this.

1710

Why? I am not against doing this. I think it is time. I think it is fair. I told members about how the dedicated employees in my municipality operated under the train derailment in 1979 and the tremendous work they have done on an ongoing basis representing the citizens. I think it is unfair to bash staff at any level because the majority of them work really hard and are dedicated.

Mr Stockwell: Oh, come on.

Mr Mahoney: They do. The member for Etobicoke West does not agree with me, but they do. There are some malingerers, just as there are some in this place, but a lot of them work hard. What we have to do is get back to a position where we can rationalize it and justify it. How do we rationalize and justify expanding our staff to provide services when A&P in Windsor are laying off 184, when in Lindsay they lost 101 to a local manufacturing company, when a Abitibi-Price newspaper mill in Thunder Bay lays off 400?

Look at the list, Mr Speaker. I do not think I have time to read all of these. You would probably call me to order if you could stay awake. I will not read all of them, but I would say that when Abitibi lays off that many in Thunder Bay, would you suspect just for a minute, in thinking about it and extrapolating a little bit, that it might have an impact

on the municipality? Would you think that, sir? I think it is a reasonable assumption.

Everything these people are doing will have an impact. What is really frightening, Mr Speaker, if you could just bear with me—oh, my God, look at all these layoffs: in Newmarket, 54; in Port Perry, 160; in Etobicoke—I say to the member—116. The list goes on: North York, Hanover, Toronto, Scarborough, Orillia, Cambridge, Guelph, Georgetown, Etobicoke, Ingersoll, Leamington, Chatham—

Mr Stockwell: Leamington?

Mr Mahoney: The member knows Leamington, our House leader's home town.

Interjection.

Mr Mahoney: Up in Ignace, how many have we got? There are 215. Good grief, there is not a lot of work in Ignace. Have members been to Ignace? There is not a lot of work in Ignace. Parts of that area of the province do not even have hydro. Why do those guys not do something and talk to Ontario Hydro? How can the municipalities service? Do they know what they have up there?

They should go in that part of the province and drive on Highway 502 from Dryden down to Fort Frances. They do not snowplow the first half of the highway. The municipality has not got enough money to snowplow the entire highway. These guys in the department of transit do not even know where it is.

The plow comes out of Fort Frances—I know this because I was there recently—and it drives about halfway along Highway 502 until it sees the moose carcass. There are municipal people driving this plow. Do members know what they do? They turn around at the moose carcass and go back to Fort Frances. If you are going from Dryden to Fort Frances in the middle of winter, the challenge is to get halfway down the road until you get to a cleared, plowed section done by the people who work in the municipality in Fort Frances—interesting.

There is not a lot of work up there and yet we have 215 laid off in Ignace.

Hon Mr Buchanan: Municipal workers.

Mr Mahoney: No, they are not municipal workers, but does the member know what? They pay taxes. Do members see my point? The Minister of Agriculture and Food does not understand that when people are laid off they cannot pay their taxes. Does he get it? Is anybody home?

Hon Mr Cooke: The answer is no.

Mr Mahoney: I know the answer is no.

They cannot pay their taxes and when they cannot pay their taxes, guess what is going to happen? The municipalities in Fort Frances, Dryden, Kenora, Ignace, Thunder Bay, Windsor, Chatham, Leamington, Mississauga, Etobicoke, Markham and Peterborough will have to—I was in Peterborough and I went for a walk on a Sunday morning. They do not even open McDonald's until 11 o'clock in the morning, for goodness' sake, because nobody goes downtown any more. If we had Sunday shopping in Peterborough, I say to the member for Chatham-Kent, think what it would be like in that beautiful little town. I

would love to live in that city. It is beautiful, but it is closed. It is closed until noon on Sunday. You cannot even get some breakfast.

Mr Mills: They are civilized.

Mr Mahoney: Civilized and out of business, I say to the member for Durham East. Does the member understand? It is not civilized to be broke. It is not civilized to be out of a job. It is not civilized to have to close your business. It is not civilized to be unable to pay your municipal taxes so that the employees who would benefit from this bill can get a decent pension, a deserved pension, and enjoy their retirement with some sense of economic comfort and stability. That is what this is supposed to do, but how are they going to do it? They are going to lose out.

This list is almost too depressing to keep reading: Kapuskasing, 190—God—Stratford, 140; Aurora, 158; Waterloo, 75; 561 in Oakville and Burlington. What we were talking about earlier: Can members imagine Oakville, or Burlington for that matter, without the Ford plant? Yet we see the recent announcement by the president of General Motors that it is going to lay off 74,000 people. If we were to take a percentage, if we were to recognize that our population is about 10% of that of the United States—I saw the president of General Motors announcing on television in the news conference that Canada would have to share the pain.

Interjection.

Mr Mahoney: Well, he did. The member should not say no. That is exactly what he said. He said that Canada will have to share the pain. If our population is 10%, presumably our economic clout would be 10%. Are we going to lose 7,400 jobs?

Interjections.

Mr Mahoney: All those people are sitting over there saying no. They must know something I do not know. I get it. Bob White is going to say, "You can't do that." Bob White is going to say: "You can't lay off 7,400 auto workers in Canada. I'm going to prevent it. I'm the head of the union. I'm going to prevent it. That'll fix it." They actually believe that: "It's okay. He'll be the president of the labour congress."

Mr Stockwell: He's getting while the getting is good.

Mr Mahoney: He is out of town. Is the member kidding? He sees what is happening. He wants that cushy job. What does that pay now, \$150,000 a year? My dad was a vice-president of the Canadian Labour Congress.

Mr Drainville: On a point of order, Mr Speaker: There is no question these figures are lamentable, and the things the member is saying might have some interest, but they do not have to do with the bill before us. It may be because the member has not read the bill. Who knows?

The Acting Speaker (Mr Villeneuve): It is a point of order. The honourable member for Mississauga West, please, Bill 151 is being debated now. Go ahead.

Mr Mahoney: I would ask the member a question. If Triplex Lloyd Automotive Plastics Ltd out of Whitby lays off 383 people, would that have an impact on the municipality? He thinks it would. If it had an impact on the

municipality, could it possibly have an impact on the number of employees working at that municipality? I am asking for his direction. He agrees with me that it does. Let him follow me on this. If it has an impact on the number of employees who work there, is it possible they could face some layoffs at the municipality? What choice have they got? Or would the municipality face reduced taxes as a result of this layoff, in one form or another? The people who are laid off would own homes in Whitby, would the member not think? That would be reasonable. If they own a home in Whitby and do not have a job, they cannot afford to pay the municipal taxes. Is this so hard to understand?

Mr Drainville: Yes.

Mr Mahoney: Why? It is totally relevant to this bill.

I suggest that at least this honourable member recognizes the seriousness of some of the figures I have been sharing with him. This is only January to November we are talking about. We are talking about complete closures in some of these cases. We are not just talking about layoffs. We are talking about jobs that are gone for ever. They are not coming back, I say to the member for Chatham-Kent. It is not funny. Why is the member laughing?

Mr Hope: At you.

1720

Mr Drainville: What about section 2?

Mr Mahoney: I will get to section 2 in a minute.

Do members know that the OMERS pension fund is one of the largest pension funds in Ontario, with assets of \$11.7 billion? That is a pretty substantial pension fund. I know they make a number of real estate investments. I am surprised the government allows that: my God, putting pension funds into the private sector. If the NDP members had been sitting over here they would have been yelling and screaming, "That's draconian and should not be allowed. Those are government employees' pension funds. They should not be allowed to be invested in speculation. My goodness, building condominiums."

That is what they are doing with it. Can members imagine using this money to build speculative condos that maybe someone is going to buy and actually make a profit on? Oh, my God. It will probably be one of the government members. Can you imagine allowing government pension money to be used in such a sense?

Then what happens? The Treasurer comes out and announces that the government is going to set up some kind of fund that will provide money if you are a member of a union. "We won't fund it from tax dollars; we will fund it from the tax-guaranteed dollars in the pension funds, but you have to be a member of a union, and maybe we'll use it for employee buyouts." That is the mentality. "When there's a problem, get the employees together and we'll buy it."

They have no choice in Kapuskasing but to do that. If they had been honest in Kap, at least, and said that the \$124 million they put in was Ontario Hydro money that is going to come back later on in the rates, I would not have been quite so upset, but they were not. They were dishonest

and tried to kid people and tell them it is not their money. "It's not really going to affect you. Don't worry about it." Then it is announced that there is going to be a 44% increase in hydro rates over the next three years. Is that not back-door policy?

Members should look at what those hydro rates are going to do to the municipalities. They should think about that. Municipalities do not get a grant in lieu of hydro payments. They have to pay for every time they turn on the lights, and because they run a government they must turn on the lights all through the night in many cases. They have tremendous energy costs. They have to work with their local hydro commission. They do not get a break. They do not get to walk away from this for free. Are members telling me that this bill will not have an impact in that regard? It is \$11.7 billion. Would it not be nice if we could assure that it would be self-sufficient and that we would not be looking at the fact that the surpluses—it is quite interesting; it is in here somewhere—are going to be split 50-50 but that any deficit will be picked up by the province?

I would take the honourable members back to the debate over the teachers' pension fund. The big issue the teachers wanted from us when we were the government was for a third-party arbitrator to be appointed to resolve disputes.

Mr Stockwell: That's a mistake.

Mr Mahoney: The member for Etobicoke West says it is a mistake. One of the concerns of the day was that we are talking ultimately, in the teachers' pension fund, as in OMERS, about public money. Not all: the 50% contribution, just because they work for the government, is their money. It is not public money. They may get paid by a public agency but it is their money. Unlike my colleague who said earlier that we could cut 30% of them and we would not notice the difference, I do not believe that to be true. I believe that the people who work in municipal government work very hard for their money. It is not all public money. They earn the salary they are paid, and even though it is paid by a public agency it is their money, without a doubt.

The balance is contributed by the employer. In the case of the teachers' fund, it was the province. In the case of the OMERS fund it is the municipality that has to pick it up.

I take members back to that debate. Our argument was, and the Treasurer is here now and he will remember it well, that we should not abdicate our responsibility, as elected officials, as a public body and as a government, to have some control over the uses of that fund. Members should think about this.

Former governments, I say to the members over here, to my right substantially and philosophically, to my left personally—

Mr Stockwell: Oh, I don't know about that.

Mr Mahoney: Oh, the member is. Believe it.

I remember the Tory governments when they used to borrow from these pension funds. They would do it and pay them 2%.

Mr Mills: Right on.

Mr Mahoney: That is what they did. He is right. They would borrow the money and pay them 2%, wink, wink, nod, nod, just let it go, put through an order in council, and they built a lot of the roads in the province with that money, with the money that really belonged to the men and women who worked in this province.

Mr Stockwell: The enemy is that way.

Mr Mahoney: Yes, but those guys did that, and we did some things that were wrong too. I will talk about us, no problem. We did a few things. The biggest thing we did wrong was calling that stupid early election and letting those hot dogs get in here.

Hon Ms Ziemba: That was the best thing you ever did.

Mr Mahoney: I say to the honourable Minister of Citizenship, it was the best thing for her because it got her out of running around delivering all those meals and got her into the cabinet. I know she did great stuff and I congratulate her for her work in Meals on Wheels. She should be very proud of that. The community probably misses her and the efforts she put in in that regard, and I, for one, would like to see her back doing that work, because I think the community needs people like the minister to be really taking care of those people.

Nobody is taking care of them out of this government, for goodness' sake. How the members came in here and conveniently forgot their roots is absolutely beyond me. They come in and all of a sudden they act like a bunch of cabinet ministers, except they make mistakes and they say they are sorry and they slander a doctor and, "Gosh, golly, I didn't mean to do it. I saw a file but I didn't." It is unusual.

Going back to the teachers' pension fund, which relates very much because it was a hot item, a big item of debate. They wanted a third party arbitrator to be able to make the decisions and they did not want our government or any subsequent government borrowing their money at 2%, and I agreed with them. I thought they were right, because what the Tories did in borrowing all that pension money to build roads and sewers and infrastructure in the province—which needed to be done—is exactly what this government did with the Hydro fund in Kapuskasing. They told the people, "Don't worry. We will build the road," and, "Don't worry. It isn't your money." It is, and it came home to roost when all of a sudden the former Premier and the former Treasurer and our government were faced with the fact that the pension fund for the teachers was insoluble; that the pension fund for the teachers, to guarantee a pension for all their members, was not properly funded.

We had a choice. We had actuaries coming in saying, "This pension fund could be in trouble. You've got to put some money into it. You've got to increase the contributions, both by the government and by the teachers." Know what? We agreed to do that, and we said to the teachers, "If there is a shortfall we will do this: We will top up the fund to make sure it's in shape and it's in place. We'll put it in place and we'll secure your future." It is a fully indexed pension, that teachers' fund, up to 8%. So it is a pretty nice pension. "We'll put in the shortfall that's required."

We do not have a shortfall in OMERS. It is an \$11.7-billion capital fund. Imagine what rate that grows at? Who is a mathematician around here? How much would that grow per day? It would be a lot of money.

The teachers' pension fund, they tell me, is growing by \$10 million a day, new money now. That is as a result of the fact that we, as a government, topped it up and made sure we put it in a firm financial position so that all teachers, rightfully so in this province, would accrue the benefit of a secure pension fund for their retirement age. I thought it was a good move.

The great furore and the OTF and everybody who got all excited and involved because we would not give them binding arbitration, this government has now done that and, in essence, what that says is, "We're going to abdicate our responsibility as people who are responsible for the public purse. We're simply going to say that if we can't agree on something we're going to turn it over to some third party who's not elected, who's not responsible to anybody, who can look at it and simply bring a decision down depending on how he or she feels that day."

I find that kind of government irresponsible. That is the kind of government we are seeing here. That is the kind of policy we are seeing here, and there is great risk in the future of mistakes being made. That concerns me a great deal.

1730

One of the other things that really concerns me is that the sheer size of OMERS means that any changes cannot be taken lightly, and the amendments in this legislation will affect the costs of servicing the plan on an ongoing basis. You do not service a plan like this cheaply. You need staff, you need proper accounting procedures, you need documentation, you need office space, you need telephones, you need a little bit of a bureaucracy to be put in place to service this plan. Those costs could be affected and it could affect the size of the liability at stake if the plan fails. Imagine this plan failing. What members opposite are doing is accepting responsibility for that. It is not only the municipal employees who would be in jeopardy if this plan failed, but it is all the taxpayers this province. As a result, I think members opposite are just being a little too flippant and a little too casual about this.

One of the things that concerns me as well is that both the cost of servicing it and the potential cost of a failure would be borne eventually by the taxpayer. The taxpayer is already paying twice on the other provincially legislated pension funds. We talked about the teachers' fund. Local ratepayers are covering the cost of that benefit to the teachers in their property taxes. The members opposite should think about their property taxes. I will speak of my own community, where 62% of our property taxes goes to education. I think the figures are similar right across the province. Sure they are—they are 50%, 55%, 65%. Take the average across the province; a huge portion of that property tax is to fund education.

This is almost a double taxation if members think about this. They are already paying for the pension fund in their educational property tax bills, in their municipal property tax bills, in their regional property tax bills or

their county tax bills. They are already paying for this. Now they are running the risk of paying for it twice in their provincial taxes. There is a provincial contribution. If there is an increase in the cost to administer this pension plan, with the propensity this government has for setting up an increasing bureaucracy, the propensity it has towards increasing red tape and hiring more staff—and who knows, maybe they will even appoint somebody. What was that job they gave John Sewell? We all know he is an NDP hack. They made him head of some planning commission and he is going to study the Planning Act across the province. It is laughable—\$100,000 a year: "Here you go, John. Thanks for being loyal to the party."

They could do the same thing with this. They want to set up a new commission. Where is that in here, Mr Speaker? There is a new commission being set up, but it is not going to represent everybody. There are a lot of different levels of people. There are some 44 people who have an interest in this, associations, etc, and there are going to be 12 people on the board. So as a result of that, with 12 people on the board—it is here somewhere—not everybody gets to be represented. We have a municipal retirees' association which has not had representation.

Do members not think the municipal retirees' association would have a direct vested interest in how this fund is administered? They should think about it. You are 70 years old and you are still supporting a family or you still have some people around, you certainly have your spouse. You are living at home and you still have a mortgage to pay and you are trying to pay your municipal taxes.

We all know the difficulties seniors have been facing in this province in paying their municipal taxes. Now we are passing on an increased cost, and the guy who should be the minister responsible for seniors' issues over there, the member for Durham East, should understand this because I think he is one of the few who would qualify for this pension if he were a municipal employee.

If he belonged to the municipal retirees' association, would he be satisfied that his organization had no representation on the board that administers the decision on \$11.7 billion that is partly his pension funds? Would he be happy to sit back and say, "I'll let these other high-powered organizations, these guys who are a little more aggressive, worry about all that and I am just going to sit back and ignore it"? Would the member be concerned about the possibility that his pension fund might be in jeopardy? Would he be concerned about the possibility that the cost to administer that pension fund would not be accounted for, that he had no accountability? I think that is very serious.

There are 12 appointees and 40 associations. The minister will be aware that it is difficult to ensure representation from all these organizations: the firefighters' association, AMO, the Ontario Municipal Social Services Association, unionized municipal employees. I am surprised this government has not put unionized municipal employees in charge of this thing. Maybe that is what they will do. They will reduce the size of the board and let the union take it over. That would fit their philosophy. I say to the Minister of Labour, there is an amendment. He should stand up and introduce that as an amendment to this. Let's

turn the whole thing over to the unionized municipal employees.

There are a number of other groups that could be involved. I do not know if the minister has thought about this. What about the idea of having a community advisory group? We have 40 associations that are involved and have a vested interest; we have 12 of them represented on the board. What about setting up a CAC, as we used to call them in the region of Peel, mostly out of Brampton, a community advisory committees or community advisory group or whatever you want; a group that could meet with the members of the board, with the different associations; a group that could talk to the members of the board about the retirees' association, I say to the member for Durham East, even the unionized municipal association. They certainly should not be left out; they should be represented, no question. We could establish a community advisory committee that would meet and talk about issues like the increased costs and the benefits and the impact this might have.

I do not know. It seems to me that if they want to talk about openness in government—and I just really see that it is not the case. Do members know how many people talk to me every day who say they cannot get an appointment with the Minister of the Environment? I hate to say that publicly, but it is true. She will not see them, she will not talk to them. These are people who are proponents, who have good ideas that might save this government some money, and if they save this government some money, perhaps it could be more fair to the municipalities in the area of the MUSH grants. As I said before, this government has said, "You're going to have to wait till January or February to know what your grant percentage is going to be." Is that fair? These people have to be accountable. They have to deal with the folks phoning them saying: "I can't afford to pay my municipal taxes. I can't afford my school taxes any more."

Mr Speaker, you will remember, when we were in government and the current Premier and all these people were sitting over here, how they used to scream about passing on costs to the municipality and how they used to yell about the pass-down impact on the municipalities of our government and of former Tory governments. What do they do? They get into office and, the very first thing, they just start the same ball rolling all over again.

When we were in office we argued about Sunday shopping, public auto insurance and the Constitution. Now these guys come to office and we argue about Sunday shopping, we argue about a social charter in the Constitution, some cockamamy idea the Premier thunk up on the bus, and then they adopt our auto insurance—although people in the auto insurance business and the lawyers would tell us it is not as simple as that, that they did not just adopt our auto insurance program, that they are making some amendments to it that scare the life out of the insurance agents—not the companies, the agents.

Believe it or not, there was probably the odd insurance agent who voted for those guys. I mean, somebody had to. We cannot find too many of them who did. Well, some of

them are here; some of them are in this article—food banks, poverty coalitions, etc:

"Six poverty group members were ejected from the public gallery here for shouting, 'Shame, shame,' when social services minister Marion Boyd announced the hikes in the Legislature."

1740

Mr Drainville: On a point of order, Mr Speaker: I appreciate the information the member is trying to impart to the House. The fact that it bears no relationship to Bill 151 is of some concern.

The Deputy Speaker: I believe this is a mistake all of us seem to commit. We circumvent the issue and occasionally come back to it. I ask the member to do that again.

Mr Mahoney: Mr Speaker, I appreciate the fact that you have just arrived. I just went through this exercise with the individual who was sitting in that chair a moment ago. Let me just, for your sake, ask for your opinion on this. I have been waiting a long time to speak to this bill, because of the impact. I talk about the lost jobs in the community and read out the communities that have lost jobs.

You would understand that when Kapuskasing has a complete closure and lays 190 workers off, those 190 workers generally either have families or parts of families that pay taxes to the municipality. Mr Speaker, would you agree that when they are laid off and do not have a job, that clearly addresses the ability of a municipality to fund the indexed pension plan we are talking about in this bill?

I realize the government members cannot take their minds beyond the black and white and what is obvious and put in front of them, and whatever their whip and cabinet ministers tell them to do. I understand they are required to toe the line of party discipline, but they should allow themselves to think a little bit for a change. They will find out that the comments I am making, whether with regard to the NDP creating a mountain of human misery or with regard to all the jobs that have been lost in the poultry industry, the hotel industry, engineering, automotive, steel products, the rubber industry, Uniroyal Goodrich Canada, United Technologies, Wilkinson—the list just goes on and on.

This financial information is very current. We are talking about up to November of this year. We are talking about the time frame the NDP has been in government here. When you lay off 153 workers in Wallaceburg, as has happened, you take away 153 jobs, and when you take away those jobs, you take away the income to the families that allows them to pay the taxes to the municipality, which allows the municipality to fund the OMERS pension for the people who work for it. Why do they not understand that? It is just mind-boggling to me that they do not understand that.

They refuse to look at the impact this bill is having. The main change in this bill is to allow for indexation of pension benefits. Let's just talk about that. I was at a public meeting one time when we dealt with the teachers' pension fund. I recall a lady standing up at the meeting and

saying, "You guys," talking about us, the Liberal government of the day, "are being unfair to teachers."

I and all the people, maybe 100 people in the room, listened. After she had finished and sat down, I said: "I'm sorry you feel that way, but let me ask a question. How many people in this room have a pension?" I do not want the answer from here. I know that none of the government members will unless they were here last time, because they are not getting re-elected. There is no pension for those guys. It is that simple.

I asked that question in the meeting where this teacher lady raised all her objections, "How many of you have a pension?" Maybe a dozen hands went up out of 100. I said: "Thank you very much. How many of you have an indexed pension?" Maybe two of them went up. Do members understand how good an indexed pension can be if you have one? Indexation means that every year you are going to get a raise while you are on pension. That is pretty good. Why would anybody not want that? But the reality is that the vast majority of the people in this province do not have an indexed pension and the vast majority of the people in this province do not even have a bloody pension.

We had better recognize that if we are going to pass on indexation to the municipal employees in every municipality in Ontario, with full indexation in their pension plan, we are truly giving them long-term security for their retirement.

I do not have a problem with that, frankly, but what we have to address more appropriately is the broader term. This is why my comments relate to the overall economic morass and the situation this government has put us in. The Premier goes off to Ottawa to beg Brian Mulroney to allow us to use the registered retirement savings plan monies we have put away for our retirement to buy a house.

Why does the Premier not do something this government can do? Why does he not get this government off the backs of business? Why does he not tell the Minister of Labour not to bring in his labour reforms? Why does he not show some confidence in the business community instead of going off with a plan that he cannot do anything about? He is requiring Brian Mulroney, for God's sake, to agree to this. Guess what is going to happen? He is going to submit the request that we allow all the RRSP money that is sitting around, not just for first-time home buyers—I sure hope Mulroney goes for this. I think that would be fabulous. If we could kick-start the construction industry, we could get jobs going again. We could get some economic development in our communities, and that is where we need it.

Mr Sutherland: You support the Premier.

Mr Mahoney: But the member and I know what is going to happen. What does the member think Brian Mulroney thinks of the Premier? Come on. The member should answer that.

Hon Mrs Grier: He is terrified of him.

Mr Mahoney: He is terrified of him? Give me a break. He just thinks—

Interjection.

Mr Mahoney: I do not much care whether the member enjoys it or not, because I am not really talking to the

member. I am trying to talk to the people of this province who need to understand how serious this problem is. While he is passing on increased costs to the municipalities, the Premier goes off with his hat in hand. He might as well go to Washington.

Members should think about this: Bombardier bought out UTDC and everybody said: "Boy, that guy at Bombardier must be nuts. What's he going to do? Is he going to go up to Thunder Bay and build snowmobiles?" When was that, Mr Speaker? Help me. About six weeks ago, the president of Bombardier negotiated a deal and took the province off the hook. Everybody was saying: "Boy, what a good deal. We finally got that camel that was designed by the Tories, perpetuated and propped up by the Liberals, and now the NDP have got rid of it, and it's a terrible burden on the taxpayers of this province."

This morning President Bush and the US Congress announced a program of \$131 billion to build new subway cars, buses and railcars to kick-start the economy in the United States. The estimates are that UTDC may benefit, along with some bus companies like Ontario Bus Industries of Mississauga, the second-largest bus manufacturer in North America, I might add. President Don Sheardown, one of the fine business people of this province, has led that company to prosperity and greatness.

Mr Drainville: On a point of order, Mr Speaker—

Mr Mahoney: But this relates to the income these people can pay to their municipalities. He does not understand.

Mr Drainville: On a point of order, Mr Speaker: I have to say again that this is Bill 151, An Act to amend the Ontario Municipal Employees Retirement System Act and the Municipal Act. I would ask the honourable member if he could possibly speak about the bill. There are many sections and there are many people here who would love to hear his particular opinions on those sections.

Mr Mahoney: This is quite interesting, Mr Speaker. I have just been handed a note you might be interested in. One of our guards at the desk in the west lobby whose name is Mr Knatchbell is serving his last official shift today.

An hon member: Bring him in.

1750

Mr Mahoney: We should bring him in. He is serving his last official shift and he is finished at 8 o'clock tonight. He is going to be retiring. I just thought we should thank him and congratulate him. I would like him to come in. I feel like Ed Sullivan.

Here he is. All right. We hope you enjoy your retirement. I hope you enjoy your retirement and your pension, sir, and may God bless you and yours, and have a wonderful Christmas and a great new year. I am going to miss you. I did not know you were leaving today. You will probably go home and turn on the TV and watch the proceedings here. When you get home and turn on the TV, I will likely still be talking.

That is quite delightful, but there are a lot of municipal employees who are going to be retiring, just like our

friend, who are going to be looking for some security and a comfortable future.

Mr Christopherson: What a sancmahonious speech.

Mr Mahoney: This is not sanctimonious. I do not see how you can say that.

Mr Christopherson: Sancmahonious. Sancmahoney.

Mr Mahoney: Sancmahoney. No, I am talking about something that affects tens of thousands of people across this province and their ability to enjoy their retirement years as municipal employees, as dedicated workers who have worked in the member's city and my city for many years. I am talking about a bill that will have a major impact on the municipal tax base. I am talking about a bill that will have an impact on the ability of that municipality to pay its bills, and everything that relates there. If you allow the business community to disappear any more than it is already disappearing in this province, municipalities are not going to be able to afford it, because their income base is going to be eroded to the point where they simply—can members imagine? The municipalities will have to go out of business. They will have to lay everybody off, never mind a pension. They will be lucky if they get unemployment insurance.

When I sit in this House, whether it is in question period or during debate or whenever it is, and I see members opposite smirking and smiling, I understand why. Many of them have jobs now that pay a lot more than they had before. I do not know what a library technician makes, but I do not think it is as much as an MPP. It might be. Maybe it is.

Hon Mrs Grier: Don't be such a snob.

Mr Mahoney: I am not being a snob. I think it is great that they are getting this for a nice four-year term, that they make a few bucks. I think that is great. But what they have to do is think about the municipal employees, who work so hard and are so dedicated, and the fact that this plan has a tremendous impact on them.

They are worried about it. The government is doing nothing to ensure that they have input, that they have an opportunity to discuss it, to be involved. As I said, there are 40 associations involved in this issue and they only allow 12 of them to be represented. Is that open government?

That is like trying to get a meeting with a cabinet minister. I do not know why you would want it; they will not be able to tell you anything. But there are people who actually think those guys are important and they would like to see them, and they will not meet with them. They dangle out a little housing project here or there, I say to the Minister of Housing. They should get serious and meet with these people. They have some good ideas. Why would they be afraid to talk to them? But they are. I assume they are getting their orders from the corner office. I guess Agnew and Piper and the boys are nervous. They do not want to leave them alone in a room with somebody from the private sector for fear they say something or tell a lie or make a slander or do something like that.

I guess they have reason to be afraid. I would be nervous if I were the Premier and I were sitting down there

and one of the most competent members of my cabinet slandered an Ontario doctor. One of the most competent members did that. I would personally be nervous about leaving some of the others alone in meetings with people from the province.

Mr Miclash: They might ask for letters.

Mr Mahoney: They might ask for letters.

The proposal in this bill is to allow for increases of 70% of the CPI and to cap them at 6% annually. So what we are talking about here is an indexation with a maximum cap of 6%. The member opposite said I have not read the bill and I do not know the bill. I do my job as best I can and I understand the impact of this bill. I have told members about the impact in my own municipality being \$500,000. That is assuming that there are not increased costs in administering this bill and this pension fund, and that is assuming that the economy does not fall completely off the table and the \$11.7-billion capital fund is jeopardized in some way. That is assuming there is no requirement for the province or the municipalities to come up with a plan to rescue this plan, which is exactly what we had to do, I say to my colleagues in the Conservative Party. We had to rescue the teachers' pension fund because of the irresponsible use of that fund by the Tory governments of the day, borrowing that money and paying it only 2% and 3% interest and putting it in a position where it was no longer economically viable. We had to rescue that and we took criticism that I thought was very unfair. I think the teachers, I say to the member for—which riding is it? It is where the dump is going—Norah's old riding.

Mr Cousens: Whitevale.

Mr Mahoney: Whitevale, is that where the dump is going, in Whitevale?

This guy was going to lie down in front of the bulldozer, I thought. I thought he had all this worked out. He had a deal with Premier Bob that the dump was not going to go there. That affects municipal employees, Mr Speaker; think about that. Who do members think picks up and gets rid of the garbage? In some municipalities it is contracted out, but in many it is the municipality that will pick it up. It is the regional municipality in many cases that deals with the disposal and the ongoing management of the waste management site. Now it is going to be provincial people, I presume, or perhaps a new level of government called GTA Inc that this minister is going to set up. They will deal with the collection and disposal of the garbage.

Those are municipal employees who are affected by this bill. I would bet that before I started speaking most of the members opposite had no idea of the ramifications that this bill has on every aspect of their government and their lives. They should think about it.

The Ministry of Energy, how does it affect it? If the municipalities cannot afford to pay the exorbitant rate increases that are being imposed on the people of this province and the businesses of this province and the municipalities of this province, if they cannot afford to pay those, then the revenue for Hydro goes down. If the revenue for Hydro goes down, there is a direct impact that says

that they cannot expand the grid and they are going to have difficulty providing services to the business community and to the residents of this province. Their only option will be to increase the already outrageous increases even more. So it clearly impacts.

Pick another ministry; pick Environment. We have talked about that. If the Minister of the Environment does not get a grip on herself and her ministry—they are a cult, I suggest, with respect. Those around the minister and protecting her are the greatest part of that cult. They probably have Kool-Aid for lunch. They talk in their own language. It probably took the minister six months—I will get to Housing in a minute—just to understand what bureaucratese they were talking. I understand that. I worked at the Ministry of Industry, Trade and Technology for a while and they talked about SBA and ODC and NODC and EODC and PA and all of that kind of stuff.

That is probably what the minister was doing, spending the first six months immersed in learning the language they are talking to her in, and as a result she probably now understands it, or she thinks she does, in any event.

Hon Mrs Grier: On the contrary: They now speak differently.

Mr Mahoney: That is a good note; I like that one.

But the Ministry of the Environment has a tremendous impact on the municipal job scene. They are going to lay people off there too, I can tell members that. In my municipality, regional and city, in the city of Brampton, all around Peel, in Durham, in Oakville, up in Kenora, in Thunder Bay and Windsor and London and Ottawa, all over this province, I say to the minister from Ottawa, they are going to have to lay people off because they do not have the infrastructure financially to be able to deal with it and they are just passing on increased costs.

1800

The Ministry of the Environment has a terrible impact. It does some good things. The municipal-industrial strategy for abatement program: The minister will know and probably acknowledge the good work we did in that area when we were in government. The blue box program: I was proud to be a member of the council of the largest city at the time to implement the blue box program. I believe that prior to that Kitchener was the largest city that had done it. We did it and that blue box program is tremendously successful because we put in a tremendous amount of effort in doing that.

LEGISLATIVE PAGES

Mr Mahoney: I have just been given a note that indicates that the pages who are with us today are actually

leaving at 6 o'clock. It has occurred to me that these young men and women are going to be future municipal employees and perhaps we should give them a round of applause.

The Deputy Speaker: Yes, I will do that. On your behalf, I would like to say a few words to the pages. I am told these debates are telecast as far as Port Severn, which is the most northern point in Ontario. It is right on our Hudson Bay shores, which to me is very close to the North Pole. So if Santa Claus is listening, because he happens to reside in the riding of the Minister of Transportation, I hope he will fill your sacks right up to the brim, because you work extremely hard, you have been extremely good, and I wish you, on behalf of all my colleagues here, a very merry Christmas and a happy new year. Thank you very much.

Mr Bradley: On a point of order, Mr Speaker: I would like to ask you a question, if I can. I know it is not question period, and there are some interesting questions that could be asked in the question period these days, but if the House sits next week, will the people at least who reside in Toronto be able to sit with us next week? Is that correct?

The Deputy Speaker: I would be extremely pleased to answer your question, but in my role as Speaker I simply do not have the responsibility to make a decision on behalf of the people who are responsible for that, if I can make that clear.

I want to thank you again, pages. I think you can go now. Thank you very much for your help.

Mr McClelland: On a point of order, Mr Speaker: I am not sure which rule it is, but I know you sit in the chair independent of any particular caucus. As the pages are about to leave, if they could just wait for a moment, on behalf of the Liberal caucus, I would like to express our personal thanks and gratitude for not only the job that has been performed by the pages but also the spirit they bring to this place and the refreshing attitude all of them have. They have been a delight to work with and to engage in conversation and we enjoy their company. On behalf of the Liberal caucus and my colleagues in this party, we want to say thank you and wish you well in all your future endeavours and ask that you would, when you are in the area, come back and visit us from time to time. Thank you for all you have done for us. Have a great Christmas, and good luck in everything you do in the future.

[Report continues in volume B]

ERRATUM

No.	Page	Column	Line	Should read:
99A	4284	1	38	Mrs Kathleen Giles of 1294 Lake Breeze Dr, Mississauga. It is dated December 3, 1991.

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Carter, Jenny (Peterborough ND) parliamentary assistant to
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disability issues, seniors' issues and race relations
/Adjointe parlementaire de la ministre des Affaires
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102B 1991



102B 1991

ISSN 1180-2987

Legislative Assembly of Ontario

First Session, 35th Parliament

Official Report of Debates (Hansard)

Thursday 19 December 1991

Assemblée législative de l'Ontario

Première session, 35^e législature

Journal des débats (Hansard)

Le jeudi 19 décembre 1991



Speaker
Honourable David Warner

Clerk
Claude L. DesRosiers

Président
L'honorable David Warner

Greffier
Claude L. DesRosiers



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Numbering of Hansard

Effective with the opening of the Second Session of the 35th Parliament, Hansard issues and pages will once again be numbered on a sessional basis. Hansard numbering therefore will become consistent with Orders and Notices and Votes and Proceedings, and with other parliamentary publications throughout Canada.

For the last two years Hansard has been numbered according to the calendar year. Under this system, the numbering of issues and pages was restarted with the first issue in the calendar year, regardless of session or Parliament.

Under the new system, the sequence of numbering started in January 1991 will end with the final House and committee sittings of the present First Session. A new sequence will begin on the opening day of the Second Session, and each succeeding session, which will be issue 1 and begin with page 1. Committee reports likewise will be numbered from the first sitting of each committee in a parliamentary session.

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Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au (416) 325-7400.

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Avec le nouveau système, la numérotation commencée en janvier 1991 s'arrêtera à la dernière séance de la Chambre et des comités de l'actuelle première session. Une nouvelle série commencera le jour de l'ouverture de la deuxième session et des sessions suivantes : numéro 1, page 1. Les rapports des comités seront également numérotés à partir de la première séance de chaque comité pour une session parlementaire donnée.

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LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday 19 December 1991

[Report continued from volume A]

Mr Mahoney: Where was I? Maybe I should start over. Should I tell members about the train derailment, 1979, and how all those municipal people worked so hard? I will not do that.

Mr Cousens: Aren't we up to 1980?

Mr Mahoney: No. I think I was talking about how this is indexed and capped at 6%, based on 70% of the CPI. The contributions to the plan will increase by 0.5% for both employers and employees to pay for part of the enhanced benefits. We did the same thing with the teachers' pension and we were criticized from one end of this province to the other because they refused to understand that what we were doing was correcting an injustice, correcting use by a former Conservative government of money at 2% and 3%, of borrowing it cheaply, which is clearly just another form of taxation. We were criticized for that.

Interjection.

Mr Mahoney: I agree with you, it is nonsense.

Mr Wiseman: You haven't got it right.

Mr Mahoney: I sure do have it right. I was here, and I understand that, and we put the money in place to ensure that pension fund would be there for all time and to secure it on behalf of the working teachers in this province. We were proud to do that. Remember, it is fully indexed up to 8%, better than this one. So let's be truthful about this stuff. We did what we had to do in that regard, and the fraud that was perpetrated on all the rank-and-file teachers, frankly, by the leadership of the union was just disgraceful, nothing but for political advantage.

The legislation does not specify the benefit enhancements and additional costs, but it enables the board to implement the changes and it revises it to bring it in to act with the Pension Benefits Act. I talked about this before and this is important: Fund "surplus" is defined to ensure that surpluses will be shared on a 50-50 basis between employees and employers.

What if there are not surpluses? Guess who pays. What if there is a deficit? The taxpayer, of course, but I guess it is part of the cost of doing business. It is part of the cost of saying to the municipal employees, "We appreciate the work you do for us," and while there may be some who work a little less efficiently than others, by and large, as I have said before, I think we should thank them for the work they do on our behalf. I think most of them are clearly dedicated.

This will prohibit employers, which are the municipalities, from withdrawing from the funds without meeting conditions set by the board in order to protect employees. That is what we should have had when these guys over here were taking all the pension money out of the teachers' fund. We should have had some protection to stop the employees from simply abdicating their responsibility to

be truthful to the ratepayers and the taxpayers of this province and to stop them from borrowing at those kinds of rates. We did not have that and that is why we wound up, frankly, in the mess that we wound up in.

In light of the financial risks involved in the administration of any pension fund, I am glad the NDP listened to the AMO recommendations to limit the indexation to 70%. I openly admit it was 100% before. I think it is more responsible and AMO sees that. I can tell members from my three years serving on the board that AMO is a responsible organization.

We heard from the minister today that he is announcing amendments to conflict-of-interest guidelines and is announcing open meetings, and this government is going to come down and save all the municipalities from themselves. They sat over there and they were screaming that they wanted kangaroo courts and investigations. Then they get into power and what happens? They bring back a review of a review of the legislation that was introduced by the Liberal government. It just boggles the mind how they can get there with all their pomposity, when they sat in opposition pretending they were going to save the world. They get into government and what do they do? I told members before: Sunday shopping, auto insurance, a social charter in the Constitution and conflict-of-interest Liberal legislation. I do not understand.

Those guys were going to change the world. They were going to reform everything. Even the OMERS bill that we are debating today fundamentally is a bill that was introduced by us with some amendments, and that is why I support it. I support the concept. I am proud to stand up as a former member of the municipal council in Mississauga and as the spouse of a currently sitting member of the municipal council in Mississauga and say I am proud of the people who work for the city of Mississauga and the region of Peel. I think they have done a terrific job in developing that community, and I am sure each and every one of the members could say the same thing about the men, women and young people who work for their municipalities. They should be proud of them.

As a result, we are prepared to offer them an enriched OMERS benefit, a package with a fund that is \$11.7-billion strong; that is, a fund that will secure their retirement in the future growth of that fund so that they will all be able to enjoy the benefits and the fruits of their labour at the end of the day.

I would hope, frankly, that this House will vote unanimously. There may be some of the more radical right-wingers in the Tory caucus who are not prepared to do that. I say to my mayor and my council and to the people at the region that yes, there is a financial impact, but it is a cost-benefit impact. It is a benefit that says they are giving a benefit to the people who work for them, who are so dedicated. It will boost morale. They will be able to say to

the people in the employ of municipalities, "We care about your services."

1810

I firmly believe, as a small business person, as someone who has had to deal with employees both in office as an elected official and in business, that the best, most productive employee is a happy one. You do not necessarily have a happy employee by paying the biggest dollar. The atmosphere in the workplace is equally important. The relationship with their colleagues is equally important. The relationship with their superiors in business, their bosses, is equally important.

You treat people fairly. You treat them with dignity. You do not eliminate the service they need, for guidance on their credit counselling problems, that gives them some dignity, that gives them an opportunity to get a hand up, instead of a handout, which is the philosophy of this government: Just give everybody a handout. You do not eliminate that kind of an agency, for God's sake, and tell them to sink or swim in a sea of red ink. Not everybody is like the Treasurer. Not everybody can say, "I don't care about my deficit." Not everybody can say, "Take my overdraft and put it on my mortgage." That is what this Treasurer is doing. These people cannot do that. They lose their assets. They go broke.

Interjection.

Mr Mahoney: I know you do not know what I am talking about. I understand that. The people of Ontario know what I am talking about. The people of Ontario know darn well that this is the most irresponsible, fiscally non-oriented government in the history of this province.

The Deputy Speaker: Order. Please address the Chair.

Mr Mahoney: Pardon me, Mr Speaker. They just get me upset when they say they do not understand, because I know that is the truth: They do not understand.

I understand the issues municipalities have to deal with on an ongoing basis. I understand how important they are. I have been literally in the works yard with the municipal employees for years, talking to them. I have sat down in committee rooms on countless occasions with municipal employees in planning, in waste management.

I chaired the budget committee at the region of Peel for seven years. We used to have to go through the budget subcommittee hearings for months and months, trying to find a way to deliver a reasonable increase in the mill rate that would not have people lose their homes, trying to find a way to be fair to people, trying to find a way to save the senior citizens' allowance of \$65 so they can pay some youngster to shovel the driveway and the walkway, trying to find a way we could plant more trees to improve the ecology and the environment in our community, trying to find a way we could build more arenas so that we could keep our young people out of the malls. We just had a terrible mob scene in one of the malls in my riding the other night—it was on the news—perhaps not as serious as the one in Scarborough, but still frightening and very serious.

A community like Erin Mills in Mississauga, where I come from and currently represent, is not immune to the

violence and the problems we have seen in other parts of this province. They are not immune to the crime and the statistics we read about every day. Municipalities have to deal with these problems.

People are amazed when they talk to a municipal councillor to find out the scope of the responsibility he has. Frankly, let me tell members something: It is a more onerous job than this one is. It requires more dedication and more hours and more interaction within the community than the job of an MPP, beyond a doubt—not even close. It requires you to be meeting with municipal employees every evening of the week and very often on the weekends and going to two and three meetings in an evening. You very seldom see your family. You must be dedicated to the democratic principle that says the people you work for, the people who elect you, deserve to see you on a regular basis.

There is no party whip, by the way, that I am aware of. I think the city of Toronto may be different. They have an NDP caucus and all of that sort of infiltration of NDP socialists into the municipal scene.

Interjection.

Mr Mahoney: It is the municipal scene; it relates. Those people are going to get a pension. Some of them only got there because these guys put some money behind them and got some people and went out and pounded on doors and helped them put their dogmatic socialist viewpoint into municipal government.

What in God's name is philosophical about a pothole? Why would you have a municipal council with an NDP caucus on it? That is outrageous, absolutely outrageous. Municipal politics should be—certainly they are in my community, and I would hope in many communities across this province—above partisan politics.

Mr O'Connor: Is your wife a Liberal?

Mr Mahoney: My wife is a municipal councillor. She did not run as a Liberal. Her colours were black and white, because everything about us is black and white.

The Deputy Speaker: Order. Please address the Chair and ignore the heckling.

Mr Mahoney: On the municipal scene, that is what they understand. The New Democrats do not care about the municipality, what they care about is building a caucus so they can build a political base and one day come up and take over the MPPs' jobs. They do not run for school boards because they care about curriculum or about learning-disabled kids or about taxes. The NDP philosophy is to increase taxes at every level; we all know that. That is one of the reasons we have such a problem in this province. They run for political expediency and their own gain and they openly and blatantly run as members of the New Democratic Party. I think that is wrong.

While I am talking about that, let me tell members something else. A lot of the labour leadership in this province does a disservice to the men and women they represent, because they are vice-presidents of the federal New Democratic Party, card-carrying members, and not the rank and file. A lot of my family in Sault Ste Marie who work at the plant are not members of the NDP and never will be.

The fact of the matter is that the majority of men and women in Ontario do not belong to any party. They are apolitical. What they care about is good service from government. They care about their municipality delivering good service to them. They care that the roads are taken care of, the potholes are filled, the snow is plowed and the garbage is picked up. People put their garbage out at 6 o'clock on Thursday morning. They go to work, they come home and guess what? It has gone, magic, poof. It has just disappeared. Guess who took it? The municipality took it. They are driving around town trying to figure out what to do with it.

These guys are shutting down waste management. They have some magic idea. They have stuck their heads in the sand and said, "We can't have any incineration," so we cannot burn it, even though the technology exists to do that all over the world. They should go to Japan and talk to the people in the city of Kiryu, twinned with my city of Mississauga. They burn their domestic garbage. They have zero coming out the stack at the top. The dioxins have all been burned off because of the temperature and the scrubbers in the system that is used, and they generate power to actually provide heat to the local community centre and the swimming pool.

The member should not shake his head at me. That is what they do.

Mr Mills: It's no good.

Mr Mahoney: It is not wrong. They do it and they have the national testing standards to prove to the people of Japan that it is safe. But no, the government is going to solve the problem and have no incineration.

What about all the tires building up in our municipalities? What are we going to do with them? Many NDP members were pretty open and had a lot of great ideas when we had Hagersville, because for them it was simply an opportunity. We can see what almost happened in Hagersville. When you burn tires in an open field in an uncontrolled fire, you have all that stuff going into the ground water. Does the member understand? When it goes into the ground water, it can pollute the drinking water, and if it pollutes the drinking water, it can cause cancer.

Why do we not smarten up? Those guys could lead the way. I would be stunned if they did, but I would be delighted too. Why do we not smarten up and recognize that within our municipal government structure, we have many ways and opportunities with which we can take care of these problems? Why do we not show some faith? Instead, what do we do? We say: "Boy, we've got a Municipal Conflict of Interest Act. We are going to make you list all your clothes and your assets," and that is the biggest problem of the day.

It does not much matter whether a minister is telling the truth or slandering a doctor. It does not much matter what is going on in this province. It does not much matter that the economy is going to hell in a handbasket. It does not much matter that Mulroney decides they can have lunch on Wednesday, a week before Christmas, at a first ministers' conference, and that will solve the problem. The

Premier goes down with a request to release RRSP money. That is just terrific. That is going to solve all his problems.

1820

The people in the government just do not understand that we have to get down to some basic, fundamental principles of investing in our communities and in our municipalities, of allowing for good economic growth to take place in our communities that these people are opposed to in good times. They do not like somebody making a profit out there. That is a disgrace.

It is all related to the bill. If they do not make a profit, they cannot pay their taxes. If they cannot pay their taxes, the municipality has to lay people off and if they lay people off, they will not get a pension.

Members should think of the impact of the social services on municipalities and the impact of police work on municipalities. The two largest items that drive a municipality, particularly a regional municipality's budget, are social services and the police. They have no control over social services. Members should imagine all the immigrants who come in. Some of them are refugees. They come here and they cannot get work and they have no place to live. What are we going to do? We cannot let them wander around the streets. I am one who believes we need to expand our immigration. I believe that this province and this country were built on a good, solid platform of immigration, by importing people, by having people come to this country who can add a dimension of new technology, better education, financial independence, investing and starting a business. They are quite important to this country.

But at the same time as we get people who can bring us all those positive things from other parts of the world, whether it is from Hong Kong or Japan or wherever it is from, they come in and they bring a positive attitude and they invest and they start a business and then they try to figure out, "My God, how did we get all these taxes?" They come here and they pay taxes to the municipality.

At the same time, we also have a responsibility to accept our share of people in the world who are in strife. We have to accept our share of the people who would be killed if they went back to their homelands, or who would be tortured or who would be physically or mentally abused. As Canadians, we have always opened our hearts to those people in the world and said, "We're prepared to help; we're prepared to be humanitarian; we're prepared to live up to our international responsibility; we're prepared to be Canadian." That to me is what being Canadian is. I have always felt proud of that.

How is Madam Whip today?

Hon Mrs Coppen: I am fine, thank you.

Mr Mahoney: Did she just cross the floor or is that my imagination?

An hon member: You've been so persuasive that they're all crossing the floor.

Mr Mahoney: I have them all crossing the floor. Do you want to say, "Hi, Mom"?

The problem is that the impact of social services on the municipal budget is catastrophic in areas where they get a lot of refugees and they get a lot of problems. We have

people who are forced to live in hotel and motel rooms in Brampton and Mississauga because there is nowhere for them to go. Guess who has to pay? The municipalities have to pay.

Sure, there are some transfer payments that come down—50% from the feds, 30% from these guys. The feds cap it, so their guys cut it down to 2% and what do we get? The NDP creating a mountain of human misery. Those are not my words. They have a tremendous impact on the social services network at the municipal level and all those employees, who are the people we are talking about in this bill, get to deal with the heartache and the frustration and the anxiety and the stress.

Members should imagine, what we should do is to take some Canadians and give them \$100 and a suitcase and tell them, "We're going to drop you in Bangladesh and see how you survive." That is what is happening. We are getting people from places like Bangladesh. We are getting people from places all over the world. I refer again to the tragic murder-suicide that we witnessed in Brampton. You can bet that is a result of the stress placed on people in this society today, the increase in violence against women that is absolutely intolerable in our society and that we must stop. It is a result of the financial pressures that are being put on every human being, in my view. Perhaps what we are seeing today is what used to be a beating, totally unacceptable, turning into a murder.

What are these people doing about it? You would have thought, with an NDP government, there would be some programs that would address that. But no, what do they do? They want a social charter in the Constitution, they want auto insurance—it is our bill—they want to close down all the stores on Sunday, and that will solve the problems of the world. Now the biggest item of the day is the OMERS pension amendments.

Mr Drainville: Good heavens, finally.

Mr Mahoney: "Good heavens" is right. You can imagine how frustrating it is when you see tragedy every day. One Saturday morning two, three or four weeks ago, I was sitting reading the Toronto Star. There in the Life section of the Star, ironically, tragically, were the photographs of about 40 women who have been murdered in Ontario this year, now, today; murdered mostly by a spouse or a lover or a friend supposedly, someone they knew, a few by strangers—the tragic loss of Nina de Villiers and others, senseless murder—but many of them by people they had a relationship with. When you see approximately 40 of them on a page like that, it really drives it home to make you wonder, why are we standing here dealing with indexed pensions, for goodness' sake, when we have people being murdered in our communities?

It makes it so frustrating to have this kind of inactivity and inaction by this incompetent government at a time when we should be investing in community policing, at a time when we should be changing attitudes about people, about violence, about murder, about our young people. But they do not want to do that. They are too busy defending the cabinet minister from Sudbury. They are too busy covering up and closing and refusing to meet with people.

There has to be a coverup there, Mr Speaker. There can be no doubt.

I realize I go off from time to time, but I maintain, Mr Speaker, that it is related, because the reality is that pressures are put on the municipalities as a result of no increase in the MUSH grants. For people at home, that is for municipalities, universities, school boards and hospitals. The Treasurer has refused to announce that increase, and in so doing he has left them in a state of—I do not know what the word would be—uncertainty, confusion, fear. Let me tell members, they are afraid—except for the NDP caucus in the city of Toronto, because they are hoping and praying the government is not going to do it to them—the realistic people, the non-partisan members of councils all over this province are scared to death of what this government is doing and what it might not do in the form of grants.

Yet in not announcing the grants, maybe it would have been a little easier for us to take had the government come in with an announcement on a transfer grant to the municipalities that would make up in the city of Mississauga for the \$500,000 the government is passing on in the cost of indexing the OMERS pension for the employees of the city. Why can we not get that? We do not even get 2%. They gave 2% out to welfare recipients. They will not give anything out to the municipal—

Mr Callahan: They will tell us in the spring.

Mr Mahoney: Maybe they will tell us in the spring and maybe they will flat-line in the spring, and then what are they going to do? They are going to be forced, because of their budgeting time frame, to simply absorb the cost. The only way they can absorb those costs is one of two ways: They either increase the taxes or they decrease the services being provided. This government does not care.

It is really frustrating. I see the embattled Minister of Northern Development sitting over there. I realize she is going through an extremely tough time in her life. She made a mistake. We think it is a serious mistake; she does not. It relates to this because it refers back to the municipalities.

How can the municipalities in northern Ontario that are looking for new programs from this government—we have not been able to deal with any new programs. Any questions in question period on municipal issues, on infrastructure, on new economic development, on growth, on anything that is important, on the hospital issue, on the capping of the \$400,000 income to northern doctors, who have to work two and three times the hours they have to work here for no more money—

Mr Curling: Higher costs of transportation.

Mr Mahoney: —who have the higher costs of transportation, as my friend says, the higher costs of living in the north, perhaps because of the fact that they have to hire nurses to come in from elsewhere, they have to get their equipment shipped in. And what has the north done? When this government has the Minister of Transportation from the north, the Minister of Northern Development and Mines from the north and it has caucus members from all over the north, you would think the north would get some

attention. You would think this government would be prepared to come out and say, "We'd really like to announce something in the north."

1830

Mr Callahan: They're getting snowed.

Mr Mahoney: That is right. The only snow in Sudbury is not on the ground.

Mr Jamison: Send me as far north as you want.

Mr Mahoney: I have been there, unlike the current advocate for small business. Does the member still have that job?

Mr Jamison: Yes, I do.

Mr Mahoney: Good. Small business is very concerned. Small business sees a bill like this passing on added costs to the municipality, and as a result, how is the municipality going to get its money? The days of milking the small business community as the cash cow in this province are over, gone, and if that member is talking to them, he knows I am right. I am not sure he is talking to them. But I talked to them when I was the small business advocate, and they are scared. They are afraid of every piece of legislation. They go through it with a fine-tooth comb. Whether it is the Minister of Labour's bill, whether it is the Treasurer's draconian financing bills, whether it is education, environment, health or housing, the business community is scrutinizing this government like never before because it is absolutely petrified.

One in three of those small business people is looking for another alternative. A report by the Canadian Federation of Independent Business, a very well respected body in this province, indicated that one in three of small businesses in this province is considering moving to the United States. That member had better hope they go by because they might stop in and spend some money down in St Catharines somewhere and maybe that community will get some economic development out of it. But that is it, because they are heading south, they are out of here, they are out of town. The reality is that this government is driving them out of town.

Interjection.

Mr Mahoney: I know the member for York East is here. It is nice to see him. I feel like I have the NDP caucus over here now supporting me. I am sure, with the eloquence and the impact of my speech, they have all crossed the floor. We are delighted to welcome the member for York East, who has now decided to join this side of the House. We will make the arrangements with him for Monday and Tuesday when this House comes back to try to get some business done.

We could be out of here now. We could be out of here if the Minister of Northern Development and Mines had done the honourable thing and stepped aside. She did not even have to walk out; just step aside until the committee everybody agreed to could investigate. It would have been easy.

But let me tell members something. In relationship to this bill and in relationship to the lack of announcement on the MUSH grants and in relationship to the increased bur-

den these people are putting on all municipalities across this province, regardless of how you want to look at it, as a result of the increased burden this government is putting on businesses and the reduced ability of the business community to pay its taxes, as a result of all that, municipal councillors are going to be facing substantial increases in the mill rate and the property tax. I used to be one of those guys, and if members think for one minute they are going to sit back and let their ratepayers and their taxpayers and their business community think this is their fault, they are wrong.

While some people accused us of running Operation Alienation, and there is some truth in that. The late Dalton McGuinty, whose son has replaced him, as Dalton passed away during the last sitting of the Legislature—his son is now delightfully part of our caucus—Dalton McGuinty senior, the late Dalton, was a wonderful guy. He used to say we ran Operation Alienation. If members want to think about it, we upset the teachers, the lawyers, the doctors, the municipal people, the students. We were not discriminatory, I can assure you.

An hon member: The backbenchers.

Mr Mahoney: The backbenchers, you got that right. But let me tell you, you have not seen fury—

The Deputy Speaker: Please address the Speaker.

Mr Mahoney: —until the municipal councils have to go to their ratepayers with a tax increase. Let me tell you, they are going to be jamming every council chamber, every committee room, every meeting hall, every church basement in this province. I would love any one of you to come and talk to one of the most dynamic municipal politicians in this country, Hazel McCallion. I would love you to come and talk to Hazel who, I might add, is very supportive of the member for Mississauga West. I am delighted to say that.

Mr McClelland: Well, somebody has to.

Mr Mahoney: That is a friend. Let me tell you, you come and talk to her about passing on tax increases, talk to her about passing on irresponsible duties to the municipalities, talk to her about the 20% they have to pay in welfare. She does not have a limousine, unlike your fat-cat ministers over there. She is 70 years old and she drives herself. She works 80 to 100 hours a week. If you spent a little bit of time there, you might understand.

The Deputy Speaker: Order. Please address the Speaker.

Mr Mahoney: Whatever you want.

So what is going to happen is that at all of those meetings the municipalities and AMO are going to say: "Look, we've had enough. We can't take this any more." They are going to orchestrate and organize. This is something they learned from the guys opposite, the way they get their stuff on the ground. It does not matter what they say in their case; it does not even have to be true. They just put it out there, because people might believe it. The municipalities and AMO are going to orchestrate a movement that is going to make the tax revolt look like small potatoes. Have members ever heard of Jarvis in California, Jaws II?

Mr Callahan: Proposition 13.

Mr Mahoney: Proposition 13, exactly. Let me tell these folks, we are facing that. Elected officials on the municipal councils are not going to put up with taking the blame for the irresponsibility of this socialist government which refuses to understand the importance and the significance of economic development and growth at the municipal level in their communities, which sets up a boondoggle for John Sewell to make a hundred grand a year, plus a bunch of staff to investigate how it can smooth out the Planning Act. Why do they not just ask the people who know? Not to mention Robin Sears in Tokyo, I might add.

Hon Ms Lankin: Not to mention Bob Nixon.

Mr Mahoney: Not to mention Bob Nixon. Somebody has to go to London.

Mr Drainville: On a point of order, Mr Speaker: As parliamentary assistant to the Minister of Municipal Affairs, I am here to attempt to listen to the debate on Bill 151. As I hear these comments, I am reminded of the comment that was once made, "There but for the grace of God goes God." What we see with the honourable member is that he is not addressing the bill.

Mr Curling: On a point of order, Mr Speaker: I was just about to understand the drift of the speaker, what he was saying. These interruptions, which are not points of order, interrupt my thoughts. I just want to say that you should rule very strictly on these members who are calling points of order which are not points of order.

Mr Cousens: On a point of order, Mr Speaker: I think one of the real things that should happen at Christmastime as we are getting ready for a holiday break—we have shown a very good spirit with regard to the pages and a retiring servant of the House. Other members are not showing the same kind of spirit to the member for Mississauga West. I realize the member for Mississauga West is really pushing in the House, but I think there should be more patience.

Mr McClelland: On a point of order, Mr Speaker: I notice that you too are being swept up in the spirit of the season and recognized me with a very pleasant demeanour. I thank you for that.

I want to say on the point of order raised by my friend the member for Victoria-Haliburton that I was beginning to understand the kernel of wisdom and the very fine points the member for Mississauga West was beginning to bring to light. I find the debate to be most enlightening and helpful.

1840

The Deputy Speaker: This is not a point of order. The floor belongs to the member for Mississauga West.

Mr Mahoney: Let me just touch briefly on the issue of disentanglement, because I think it relates to this bill. The minister says he is only doing what municipalities have requested, but the cost of this legislation is going to be ascribed to the province, not to the municipalities, except that it is going to impact on their share, with my community getting hit with \$500,000. As I noted earlier,

the ultimate responsibility—we are saying if it fails, it comes back to the province—for the plan's viability belongs in the provincial books.

Unfortunately, the accountability of OMERS and this legislation are not going to be sorted out under the grand scheme of disentanglement. Many counties, cities and regions are quite concerned about disentanglement and the impact it may have on their budgets. They are deathly afraid this government will simply pass on more of the authority and responsibility, disentangle itself from the municipal level, but not provide the requisite funding that would go along with that level of responsibility.

If some municipalities are saying they are concerned about the costs, the question would be, why does the province or the board not allow them to decide on the issue of indexation? Why do we have to set a rule? Here we go again, setting a rule based on the province of Toronto. This is not the province of Toronto, it is the province of Ontario. Why not allow for some local autonomy?

The best example of that was our Sunday shopping bill when we were in government. It allowed for a local municipality to make a choice. If Sault Ste Marie voted—without an appeal to the OMB, by the way, which is the most outrageous step I have ever heard of—in a referendum in favour of Sunday shopping, which it did, on the municipal election ballot, why can it not open? That does not force Sudbury to do the same thing, but if Sudbury decides it wants to open, why can it not open?

The government could do the same thing in this situation with indexation. It could set a base formula and then allow each municipality to deal with it. Those municipalities that could afford it could pass on some of the cost, and those municipalities that could not afford it could perhaps give a benefit in some other way.

This is the old problem of Big Brother provincial government. Boy, these guys are big brothers like nobody else in the history of this province. It is the old idea of Big Brother passing on exactly what he is going to do.

Mr Speaker, I know the member for Markham has some interest and some desire in speaking about this legislation. I appreciate the time and latitude you have given me to address it. Stop smiling.

I still reiterate that just as the municipalities are interdependent on themselves and this government, they are also interdependent on the business community, and the small business community particularly. When you lose a job—I have outlined the jobs that have been lost in many of the parts of this province—you lose the potential of a taxpayer to pay his taxes. When you lose that, you lose the ability of the government to fund indexed pension plans for municipal employees.

In the end, I will be supporting the amendments, because I support the local and regional municipalities and AMO, to give them an opportunity to make some autonomous decisions about their future with their employees. There are many aspects of this bill I am not happy with. I am not happy with the financial impact. That is just another example of passing on the burden. Ultimately, for the opportunity to say to our municipal employees, "We're proud of the work you've done, we're proud of the service

you've given to us and we believe this is a fitting pension for you," I am pleased to support it and to have that opportunity.

But I want to be clear, in closing, that supporting this bill in no way should indicate support for this government. I continue to feel as passionately and strongly as I can that they are on a wrong course and that they are providing a lack of leadership. They are damaging the financial infrastructure and the entire physical infrastructure of the municipal sector in this province. They should be looking forward to the next election with some trepidation, when we will be able to correct history and simply remove them from office.

The Deputy Speaker: Are there any questions or comments?

Mr Callahan: I have listened with great interest to my colleague the member for Mississauga West and his comments on this bill. Certainly he has put in perspective that municipal employees and so on deserve this. They are hardworking people.

The concern I have is that I have seen that government over there always talk about emulating Quebec. In Quebec, they use these funds in what would be termed as high-risk opportunities. I see this government as seeing this as a great lump of money. That will be the next step. If it is, I will be vocal against it because the next step will be that they will take this money and use it, perhaps through a crown corporation, to try to spin off some of the debt they have and not have it registered in their books.

If that is what the spin doctors back there in that room down the hall are planning—the Premier and the four major cabinet ministers and the six unelected spin doctors around them—I suggest this province is really in trouble. What they are going to do is hide that. As my friend the member for Mississauga West said, that actually will be a drain on the local ratepayers of the various municipalities. For instance, in Mississauga I think the figures could be quite staggering. I had it at my fingertips, but I think it is quite a large amount.

What they are going to say is that the province carries the can. But if the province tries to use this money in some surreptitious way to try to fund its operations and try to put it away like Quebec does, then I suggest that not only the local ratepayers but also the people of Ontario are in great jeopardy. If the government puts those into risky operations with an attempt to get the largest return, everybody loses because it is hidden debt that just suddenly comes back to haunt you at some later stage.

I have grave concerns. I will be supporting the bill, but if the next step by the government is that, I am certainly not going to vote for that.

Mr Cousens: Mr Speaker, during the discourse from the member for Mississauga West there was a time when I wanted to have some kind of privilege recognized by the Chair, and you suggested that rather than make those comments in the middle of the presentation by the member, I wait until my two minutes were available.

I was concerned with the kinds of references that were coming from the lips of the member for Mississauga West about our leader, the member for Nipissing, pertaining to his leadership, and what he is saying in this House pertain-

ing to the Minister of Labour and the new proposals that are going to give far more teeth to the unions as they establish more power, more strength, change the voting rights, and an extensive amount of change that will make Ontario far more a union jurisdiction than any other in Canada, very much the same as Sweden.

When the member for Nipissing was asking questions today of the Minister of Labour, many people were really impressed with the way he was going at the needs of the workers' rights. Unfortunately, in referencing these things, the member for Mississauga West was mocking these facts and I felt that was incorrect. I just want to put that on the record now.

I also would like to comment on another aspect—he said this earlier in the speech—that the member's wife is a municipal councillor. I questioned whether or not she would have any conflict of interest. I am satisfied she would not. Looking at this bill, one understands that it is not dealing with the salaries or pension plans of municipally elected people.

I have to say that other than those two points, the member for Mississauga West has given an excellent presentation. I think he is really trying to touch on the issue of downloading to municipalities.

1850

Mr Bradley: I want first to thank the member for Mississauga West for his contribution to the debate this afternoon. His contribution has been far more than perhaps one can see this afternoon to the resolution of many things that have been happening in the House over the last few days. I think what he said had to be said in the House. It is unfortunate that he had to elaborate for as long as he did, but I do not think he wanted to miss any of the details of the ramifications of this piece of legislation. I know he would have been eager to come back to yet another question period in the Legislative Assembly, because the line of questioning was becoming most interesting in the House, if you look at the last question that was asked and the potential future questions that could be asked. He did not have that opportunity, so he has made a good contribution to the House this afternoon.

We also recognize that there is further legislation that no doubt will have to be processed in the evening. We will have some suitable contributions to that, but I do not know whether they will be as lengthy as that which the member for Mississauga West presented in the House this afternoon. As part of this, he could have looked at the ramifications and tried to tie them in with the dire consequences facing the automotive industry in Ontario, but this bill did not directly relate to that.

I know that when he talks about pensions and things of that nature—I just saw 30 go up on the clock; it reminded me of 60 and 60% of the cost of education. I do not think we will have time tonight to allow the government to bring forward a bill which would pay 60% of the cost of education from the provincial coffers, as the Ontario Secondary School Teachers' Federation and my friend Larry French, who is in the gallery, have always demanded. That is most

unfortunate, because we would have been prepared to pass that this evening.

Mr Curling: I have listened very carefully to my colleague the member for Mississauga West. As the session winds down, I think how fortunate the government and we are to have a member who has put forward such thoughtful input so that the government can actually go away and think about it and make this a better place. Whether or not the government listens, I am convinced by the most influential manner in which the member for Mississauga West put forward his thoughts. I think Bill 151 will be a better bill as soon as they have amendments put forward to this.

He was preparing this for days. When I spoke to him before, he told me that he could go on speaking on this matter for a day or two. It is so close to his heart and is of such great concern to him that he felt the things he said must be said. However, with his consideration that other members would like to contribute to this debate, he felt he should put in only about three hours; he said he had more.

His concern, especially with the demographic situation in the province today, that we are getting so much older, especially the baby boomers like myself who are gradually coming into the pension era, and that we are going to make sure—

Mr Mahoney: Going grey.

Mr Curling: Do not watch the grey; this is all about intelligence and wisdom.

Mrs Caplan: You've earned every one of those.

Mr Curling: Of course, as the member said, I've earned every one. As pension time comes along, and as the member spoke so eloquently about this bill, I said to myself, "Thank you, Lord, that we have individuals like the member for Mississauga West to put forward these thoughts."

My concern, though, as I add to the comments towards Bill 151 is that, as members know, there are more people who are getting older than younger people coming in. I am concerned about who will pay these pensions. I thank him so much for his contribution.

Mr Mahoney: The reason I finished as early as I did was that I have to attend the Mississauga senior citizens' centre dinner dance, where they will be making the Senior Citizen of the Year presentation in Mississauga.

Mr Bradley: Who's getting it?

Mr Mahoney: I have the delightful pleasure of finding out who is getting it when I get there, because it is secret. We do not give those out until we make the actual presentation.

I could probably take several people from here to win, but I would have actually liked to have made a number of additional points. I had some more items of concern about this, but I thank the honourable members for their comments.

I say to the member for Markham that while I can appreciate perhaps the sensitivity that my remarks were somewhat intemperate with regard to his leader, I really have some difficulty with having a leader of his party stand up and tell us he is fighting for the working man, with all due respect. That was really the point I wanted to make. Having said that, of course I respect him and respect

his right to say that, even if I do not agree with it. That is one of the great things about the democratic system.

I appreciate the member's gracious comments about the presentation, and I know he is about to address the throne with his concerns, which I am sure will come from a municipal base to a certain degree, and a provincial base, in expressing the concerns of this government. Let me, in a spirit of friendship and hopefully a spirit of understanding, even though from time to time we disagree strongly—I see the Minister of Community and Social Services, and I disagreed strongly with her in question period today, but we all get here via the same route. We are all elected by the people and entrusted with a very real responsibility, and it is one I am proud to do. I wish all members a very happy, safe holiday season and a great, successful new year.

Mr Cousens: Bill 151, An Act to amend the Ontario Municipal Employees Retirement System Act and the Municipal Act, has to go down as an important bill, but it also opens up a large number of questions in its implications.

On the positive side, we certainly know the important role that is played by municipal employees to maintain a strong structure of government throughout our well over 835 local government situations in Ontario. Each of those local governments would not possibly be able to fulfil the needs of the local community were it not for the dedication of the men and women who over the years have served their communities with diligence, with care and with a tremendous professional sense about themselves.

There is, within the municipal employee group, a dedication that allows them to go on and do special studies, and they are constantly upgrading themselves through seminars and special programs. They are having to fine-tune their governments so that they take advantage of the latest in technology. They are constantly looking for ways in which they are able to serve their communities.

In fact, that probably touches on one of the most important parts of what has been the case within the municipal governments across Ontario, and that has been the high level of service provided to the local communities by these servants of the people. There they are, worrying about making sure the budgets are balanced, worrying about responding to all the needs the Ontario government lays upon them and, most of all, trying to respond in a balanced way to the needs of their municipal councils, but more particularly, those of the people who have specific concerns. That is where it happens.

If members really want to know where democracy begins, it begins right there in each of our own backyards, in each of those communities—I think it is 837 of them—where you see democracy working. That elected council, being backed up and supported by their administrators, their clerks, their treasurers, their parks and recreation people, by the whole assembly of people who have that concern—to me it is a tribute to the quality of life we have had in Ontario that there have been as many who have given so much of themselves.

It was not all that long ago that they were among the most poorly paid people in the province, compared to others who would be running a grocery store or another business or doing something else. Yet as educated as they were and

for the hours they put in—and that is something else, the hours that are worked by municipal employees. As we come into a new tax year, they will be putting in extra hours to get their systems changed over from this last year into the new year. They will be changing those systems and they will be getting out their tax bills, not a happy scene for the people across the province, but this does not just happen because someone presses a button somewhere. That happens in each community so that the files and the assessment tapes and the information that pertains to their own local bills are being maintained and run and managed by the people who work in each of those communities. As we look at the work they are doing, members should please understand, and I am sure the honourable Speaker does, that these are the people who keep that level of government working and available to their municipalities.

1900

I think we take so much for granted in Ontario. When you recognize that these people have that job and they are doing it faithfully and well, I would not want some of the comments I am about to make to take away from the dedication they have demonstrated and continue to demonstrate. Very often, when we get into the Legislature as we do, we will say, "Look, we have problems with this bill." Then people will automatically assume we have problems with the people who are implicated by it.

Therefore, when I start having some concerns about the pensions of municipal employees, and I have a number of concerns, people will say, "How can you say that about our municipal employees?" That is why, as a backdrop to anything I say, I think it is imperative that the people of Ontario stop and reflect on the fact that we just could not have the systems running as smoothly as they do were it not for the efficiency and the dedication of those municipal employees.

As in my own community of Markham, you really see it in a community that is growing so quickly. When I was first elected in 1981, we had around 35,000 to 40,000 people in Markham and now we are well over 150,000 people. The way in which that community has had to respond to the needs for growth has meant that the municipal employees were brought on working with a much smaller staff and a smaller building. Then they had more and more staff and, before you knew it, you had many of them working in cramped quarters. They really did not have the facilities to work easily. They did not have the tools to do the job, yet somehow or other they did it.

They were able to make sure that the town grew well so that the people who are served within that community have a sense of pride. I think that is really one of the beautiful things about our community. There is the sense that something that is right is happening there. I know in part it is because of an excellent council and a continuing dedication by council, but also it is through the ongoing support and service of the civil servants.

I have seen that as well in the way the municipalities in which I have had experience have operated. I look at the city of Vaughan. It used to be a town and is now a city, and likewise it is into the Garnet A. Williams Community Centre and that continues to get small because of the growth.

You go through York region and each of those communities has really made something happen that is good.

It is unfortunate that every time something happens that is the slightest bit wrong in a municipality, it just gets to the news in a flash. Everybody says, "Look at Richmond Hill," and at the situation that happened there with some of the moneys that were put in trust. Those moneys seemed to disappear—in fact, they did—and there has been a forensic audit to look into it.

That illustrates the problems that take place, but none the less that town of Richmond Hill continued to run and function. It addressed the problem and it began to find ways to make sure it would never happen again. I have a sense that the community, in re-electing its council and its officials who are responsible for it to the electorate, has won the confidence, again because of the way it has managed a tough situation, and not just the elected officials but the people at the town level as well.

I have problems none the less with a bill that is talking today about the retirement plans for municipal employees when in fact I see the people of Ontario facing one of the worst recessions this country has experienced, certainly in my lifetime and certainly in the lifetime of many people who will continue to help to make this a strong province.

We see uncertainty about the future for those many employees at General Motors, with the announcement yesterday of cutbacks that are taking place. Not just a few thousand but over 70,000 employees are going to be impacted by the downsizing of General Motors. We can believe that some of those jobs that will be lost will be in Oshawa.

Then we look at other companies. We have seen well over 200,000 jobs lost over the last year in Ontario. People were working, doing their thing, and for reasons beyond their control in large part, those positions have disappeared and therefore they are unemployed now. The unemployment rolls are increasing, and for whatever reason, those very people who had a long-term plan for the future and for their retirement, cannot do that. They cannot see beyond the next cheque they are getting, because most of them do not know where the money is going to come from to provide for necessities, for their families, for Christmas and the holidays or for something else that might happen to them.

We are dealing with a crisis for everybody in Ontario, because even those who have jobs know people who are suffering severely because they do not have a job. They know families or friends who will not be able to celebrate the kind of festive season this year that many of us think everyone in Canada should have. They are unemployed now and they see no prospect in the near future of finding a job.

While we in this House debate pension plans for municipal employees, we are somehow losing sight, at least for the time being, of the thousands of people who have no sense that there is going to be a pension for them at all. They do not even have a regular paycheque coming in right now. They have no sense that the future is going to be good for them. I cry for them. I have a sense that we here in the Ontario Legislature have a responsibility to do something for them, so that when they come to an age where they want to retire, there is going to be some kind of fund to assist

them to live in a way in which they are entitled to live, in comfort, and enjoy some of the days of their lives.

I fear for them. This early retirement the business community talks about, those are sweet words of misery to those people who become the recipients of an early retirement scheme. Unless you stay in a retirement plan for the full term, it does not give you a return on the investment you have made in it. If you retire at 55 or 53, when you are supposed to wait until you are 65, it is only in the latter years that your pension really builds up and you begin to get the full amount. If you retire prior to the full time, you are going to get less and less, a significant percentage less if you retire seven or eight years before the age of retirement comes.

In Ontario now, in this debate, we are talking about the pensions of municipal employees who already have a pension plan, who already have certain investments. They are doing a good job, they are hard at work for the people of Ontario, but there is something the matter here in the province. We are not concentrating on the needs of those who are in desperate need for the future, whose jobs are lost, whose future is bleak. Let Charles Dickens come to life and write a story on a Christmas in Canada and the holiday season in 1991. It will not be the pleasant, happy story that it should be for everyone. That is a fact.

We in this House have a job for three or four more years, but the number of people who will not be able to have that claim on the future is one of the most despicable things we as legislators are doing, by not at the same time, even in the Orders and Notices or the agenda of the government or An Agenda for People or the plans coming from this government, making sure that every person in Ontario first of all has a job, and all the people have jobs, an opportunity to contribute to a pension fund that will mean they can somehow live through their days. We are failing the people who elected us by not taking that more seriously. Until we do, we are judged for the failure we are perpetrating into the future.

1910

What we need to begin to do is to look at a much bigger picture of what Ontario should be and can be. I bring that through, and somehow or other may it become one of the things all of us begin to feel and have a sense that we are committed to people and committed to principle, committed to making sure that when they get up in the morning there is a future for them, rather than the kind of future that exists today.

It is not that there are just a few people unemployed right now; that number is increasing. We are into one of the deepest, hardest, coldest winters for many, many people.

When you look at northern Ontario, I think so many of us here in this House have no understanding of how hard it is for those people in mining towns, where the unemployment rate is up over 15% and 20%, and there is not a chance of the mine being opened again. We are looking at people in the forest industry, again in northern Ontario. Recently I met with leaders in the forest industry who are seeing nothing but despair at the closing down of their industry, for a combination of reasons, some of which I can blame the government for, but not entirely.

I attribute a large part of it to the free trade agreement. As one who voted for it, I am having grave problems with what is happening with Canada today because of the free trade agreement. Somehow or other we are not positioned to accept a change that is happening so rapidly. Business is not responding fast enough. Therefore there is the fallout, and the fallout is hitting people. Those very people are ending up carrying the can, carrying it for all governments, the provincial and the federal governments, which are failing these people in not helping to ensure that there is a job for them.

Our future as a country depends on the people who make it up. That is a resource that is worth something. It was not that long ago that you looked at the resources of Canada, and when you thought of the resources, you thought they were our forests, our water, our minerals, our wheat and grain; they were the natural things that were here when this country was first opened up. Whether it was opened up by the aboriginal Canadians or by those of us who came from Europe first, I do not really care. That was the strength of this country in the early days.

Now, let us understand, the richest and best resource we have as a country is our people. We have to make sure their needs are understood and appreciated. On the one hand, you have to have this social, what do you call it, blanket?

Mrs Witmer: Net.

Mr Cousens: The social net. I understand that, and we have a commitment to that from our party. I know the socialists in government have a commitment to that as well.

The Liberals do. That is something this House takes for granted, that we have a responsibility for the social needs of our community and our people so if there is sickness or there is lack of food or there is any kind of lack, there is a way in which that can be supplemented and supported. We are a great society, when you think of what we can do for it; in fact, such a great society that people from around the world have looked to Canada as a place they would love to come to, they would love to immigrate to. They would like to make their homes here. They would like to be able to come and make it an even better place. When you understand—

Interjection.

Mr Cousens: I am sorry, but it comes into Bill 151, Mr Speaker.

What it really means is that there are so many people who see Canada and Ontario as a marvellous place in which to live, but it means it is a place in which they have to work and build and develop some kind of plan for the future. That plan is non-existent for so many who do not have a pension fund.

Those people who have government jobs, be it provincial, municipal or federal government, have a planned pension plan to help them. What about all the other thousands of people who have no pension plan, who have no sense for the term of what they will do and how they will live and what they will live on when it comes to the day of retirement?

That is the problem we have. We are debating a bill today that is going to assist municipal employees' retirement plans. In the end, it is going to pass, so you wonder

why it is that someone would even pause to reflect on it. I am pausing to reflect on it because, before we come along and just automatically sweeten the pot for municipal employees' retirement funds, we should have a clear conscience, a sense of knowing the numbers of people who have nothing, no pension at all to sweeten, no pension whatsoever, so when they reach the age of 65 they will not have anything to plan with except the CPP.

Anyone who is relying on the CPP for his retirement had better think twice. It may not be there. It may be bankrupt, if it is not already bankrupt, by the time 1996 comes along, or the year 2000. For people who are forecasting their returns and the money they will be making in those years, if they are including the CPP, it may not be there by then. It just cannot continue to be funded.

When I look out into our great communities across Ontario, on the one hand government employees have magnificent pension plans. They are wonderful because they are shared by the employer, being the governing body, and by themselves. So right early on, within those government plans, people start to accumulate a retirement fund. Yet how many people in Ontario are not contributing at all to a pension fund today? Why are we not doing something about it? Why are we not waking up and saying to those companies and those corporations, to the unions, to everybody, "Get involved with your pension plan"?

Here it is government looking after government. We in this Ontario House will look after the municipal employees. Sure, we will. This bill will pass. But why are we not doing something for those thousands of people who do not have someone looking over their shoulder saying, "Do something about it"?

I hope something is stirred in our hearts at this Christmas season to understand there is not just sentimental garbage in talking about pensions, that for every human being, when he starts to work at the age of even 14 or 16, whenever it may be, there is some way in which he can begin to accumulate a pension for his retirement. Let that be a beginning of an ongoing life cycle in which people are constantly building up that fund, so they are focused on it early and then, as time goes on, that pot will build.

1920

Our federal government again has totally dropped the ball on RRSPs. It is only this year that you can begin to put a larger amount into these registered retirement savings plans. That is the kind of investment that should be part of everyone's planning. But do members know what is happening? We are so busy living for today, looking after the food and clothes and heat for our homes, that people do not have the money left over to put aside for a pension plan.

The evidence is in the people who are now 65 years of age and do not have the money to live in the style to which they were accustomed. They are ending up selling their homes and they are changing their lifestyle, which is notching downwards. It is notching downwards as they lose control of their own economy. They are moving into a stage in which, what will they have in the next 10 years? If they live beyond a certain age, they are dipping into their capital, their capital is getting smaller and smaller and their sense of worry about the future is increasing.

They have become a group within our society we have tried to do something for. There are a number of pension plans and support plans the province has subsidized to assist people who own property for a property tax rebate. There is a supplemental pension plan, but nothing close to their need. While they are dipping into their capital, the amount of money they are going to have at some date in the future will be less than enough to look after them, especially as I do not have any doubt that we are going to see inflation come back to Ontario and Canada in the next two or three years as we have not seen before.

I think that once the federal government reviews things, the suffering being caused by the tough dollar could well mean that people will say, "We've had enough with the tough dollar, so open it up." Once they have released the tight dollar policy of Mr Crow and the Bank of Canada, what will happen is inflation, and what a mistake that will be. The very people I have just been talking about, our seniors—some of us will be among them by then—unless they have some kind of indexation to their pension plan, are going to be out of luck.

Every day will be a Scrooge day for them. Every day will have a sense of despair and anguish because there will be nothing in the bank to help them through. What does come in will still be insufficient. They will sell their assets and move to a lower level of living, into some form of subsidized living. Indeed, in our country we will continue to provide that for people. But their pride is injured, their sense of self-importance has gone down and their sense of having looked after themselves for all those years will be wiped away because there will not be the kind of assurance for the future because of what they have done.

People in Canada like to know they are doing something for themselves and not relying upon the government or anyone else to do it for them. They want to have pride. In fact, when you look at what it takes to make up a Canadian, it takes this: the pioneer spirit that when they get out into the world they are going to do something, they are going to create, they are going to build, they are going to work, and on their shoulders they will make it a better land.

The people who work for municipal governments, as we refer to them in Bill 151, continue to build and grow and do these things. But there are so many others who do not have that chance and will not have that chance, especially as the economy goes through the kind of serious change we are into now.

Is there a sense of urgency to it? There is great urgency. There is greater urgency to the needs of the thousands of unemployed people, the many seniors who are moving into retirement who do not have an indexed pension, who do not have resources. The limited resources they have will dissipate over the forthcoming years so that they have next to nothing. They lose not only buying power, but their pride, their sense of self-esteem.

Yet here we are in this Legislature talking about Bill 151, sweetening the pot, as I said earlier, for municipal employees' retirement funds. Why are we not doing something about those many thousands of other people who need a break? Why are we not doing something to educate

young people right across our whole society and say: "Start early, young people, even while you are going to university, start early. Put some money away for the day you will retire"?

When I went to university, one of the first investments I made was my insurance policy from a Prudential insurance man who came to my home in Burnbrae, just outside of Campbellford. He came and told me the story of how this \$5,000 policy was going to—

Hon Mr Pilkey: Tell us the story of long, long ago.

Mr Cousens: Oh gosh, the Solicitor General is bad. The insurance man came and sold me on how I could take my earnings as a student in high school and put aside a certain amount so that over time I would have some money set aside for something else.

Hon Mr Pilkey: Pay yourself first.

Mr Cousens: In fact, there is a sense there of my commitment to my future by putting some money aside at that early stage. Yet today people are not buying insurance to the same extent they once were. It is more that they are looking for the kind of insurance for emergencies. I am trying to think of the term. You just pay for it as you need it; it is not something that has the long-term impact.

But where are people's minds, if they too, like the municipal employees, are building a plan for the future where they will have a chance to know there is a future? Unless we start with everybody—I think people are sick of the way government looks after government. Bill 151 is looking after municipal employees. That really is important and necessary, but on a scale compared to the need of those who have no pension plan and no guidance and no support from this government, no agenda from this government for a pension—I see up in the gallery a number of people from the teaching profession. They are going to be very interested in their pension plan. The teachers have one of the best pension plans going. Maybe it comes out of their educational program, because very early on they know they would be fools if they did not plan for their future retirement, so teachers invest heavily in it. It is taken off their payroll; they do not see the money, so they forget about it. They just know it will be there some day when they need it. Then that day comes and, when they retire, they are able to live in a way which has been planned for.

I commend the teachers for the way in which they have done it as a profession, because they have fought hard. They work hard and they invest hard, so when it is all over and done with and their life is finished in the work world, they can then look forward to some kind of comfort that will allow them to carry on their lives in dignity. How many other professions have taken the same commitment as teachers have? Not very many. Teachers are close to the municipal employees as far as looking after themselves is concerned.

It is too bad this idea of planning for your retirement is not something more generic to every profession, so that there is a sense of commitment early on by those who are in an apprenticeship program, those who are at university having a summer job; too bad that there is not some way they are being educated on the need to set aside a certain

amount of money, that different unions are not somehow building in extra portability plans so that those who are members of those unions can take the investment that has been made by an employee and move it into another opportunity when it comes.

In my preliminary remarks to this bill, I think we are making a dreadful mistake as legislators not to consider at the same time other bills that begin to touch upon the pension needs of different groups within our society. As I look back at some of the legislation we passed and worked on over the years we have seen pension reform come to our province, I had the pleasure of sitting on the Legislature's select committee on pensions back in 1981. In fact, one of the people on that pension committee was the previous Premier of this province. There was a Premier before the present Premier and he lost the election on September 6. You forget their names so quickly. David—

1930

An hon member: Patterson?

Mr Cousens: Not Patterson. It was not Patterson. There was another Premier. He was really a very—

Hon Mr Buchanan: David Elston.

Mr Cousens: David Elston? No. He is running for the next leadership of the Liberal Party.

Mr Morrow: David McClelland?

Mr Cousens: David McClelland? No, he is not running for the leadership this week. It was David Peterson. David Peterson was on the pension committee back in 1981. That was an opportunity for a backbencher—I was on the government side at the time and Mr Peterson was a backbencher with the Liberals. It was a chance for us to look at ways in which we built portability and spousal benefits into pension legislation from Ontario. Let's just comment briefly.

Portability means that a person who has invested for a certain period of time can take that investment in his pension fund and move it from company A to company B to company C so it continues to accumulate without interference as people move from one position to another in different companies and in different funds. That is the kind of thing that has now happened through changes to the pension act.

We also became very concerned about spousal benefits. The number of existing pension plans and the changes that were made in legislation certainly built the need to have spousal benefits into the legislation in 1987 and 1989, which is absolutely imperative. We touch on that in Bill 151 for municipal employees, but for everybody in this province let's not forget that the obligations we have while living also carry on after we are dead. The commitment we make to our spouse while alive certainly should be more than just words. It should have a financial link to what our pension plans are for the future. It is only being responsible. It is only living up to more than just the terms of a marriage agreement. It has to do with the very spirit of what it is to have and to hold, to love and to cherish and to build together.

When you start looking at the different kinds of pension plans and the changes that have been made, I guess

the one issue that really starts coming into this bill and into previous ones is the whole idea of indexation. It was in 1987 that the Ontario Pension Benefits Act decreed that pension benefits must be indexed according to a formula to be prescribed. The task force that was run by Mr Friedland at the time suggested that such a formula would become at least some way in which surplus funds that are gathered or gained or built up within any kind of pension fund could then be allocated on a percentage basis to help with the effects of inflation. I do not think there is any doubt that every pension plan we have in our province should be revisited, if it has not been already, to see what can be done to build something in there for inflation.

Knowing that we have inflation now at around 5% and 6%, if inflation returns at double-digit levels, then the value of the dollar people are receiving through their pensions is reduced so significantly that they are forced into a form of poverty. They enter their retirement program thinking they were going to be well off and then, as inflation eats away at their investments, they are left with less and less and forced into a new stage. What I would really like to see is that all plans, not just the one we are looking at today, have some understanding about what indexation is all about.

What we are really talking about in Bill 151, which is going to assist Ontario municipal employees' retirement plans, is the guarantee of indexing the members' pension benefits. That is why I am saying, if we are looking after municipal employees and government employees, why are we not doing something as well to help make sure other plans are building that kind of indexation into them? I realize that the level of the OMERS pension plan will be capped at 6%. That may seem like a lot; 6% is at least pegging it at a level. After 10 years, is it not, you have a doubling effect at 6%, so someone's pension can have a significant—it does not double. I guess it would double in 15 years. There is a sense in which it will grow at least to maintain a level or standard for an individual who is retired who otherwise would not have that kind of growth that goes with it.

To meet the costs of this indexation, there is going to be more paying for their pension than previously. I think that is the responsible thing. I think the government certainly would want there to be a joint responsibility for the extra benefit, so the contribution rates for both the employer and the employee will increase, by 0.5%.

The costs of these increases will affect two different groups. The one cost is going to affect the municipal employees. I was surprised when I was reading one of the newspaper reports on this bill. There was some concern and complaint that this program was going to cost the municipal employees possibly up to \$150 a person because of this change in their pension plan. We should not complain about it. To those people who are going to have the chance to increase their payment to their pension plan and have the benefit of indexation, it is indeed a fantastic coup. I do not support it, for the reasons I am coming to, but the New Democratic government is generous in saying, "We've got to make everybody have an indexed pension plan." As long as the employee is contributing to it, that is a good thing.

Here is the wrinkle: How much is it going to cost each municipality across Ontario for the increase it has to pay? It is going to cost municipal employees 0.5% of their salaries to go to their pension funds so that they have the indexation. The cost to municipalities across Ontario because of this amounts to \$22 million. The sum total of all the increases we are talking about because of the changes in Bill 151 amounts to \$22 million that will have to be picked up by municipalities right across Ontario, a small amount here, a small amount there, but each municipality, because of a decision we are making in this House, ends up immediately, on January 1, having to plan either a deficit or some way of bringing in that extra money. That is a large part of what is going to happen.

If each municipality then has to do it, it is added to the total number of programs we have already forced on them. What we have been doing for the last five years around here since David Peterson came to power, and now with the member for York South coming to power, is passing the bill down to the municipal governments. It means the municipal governments are picking up the taxes. They pick them up out of the members' and my back pockets. The people do not have the money any more.

Hon Mr Mackenzie: Oh, you've got it. It's okay, Don.

Mr Cousens: Oh, I may have it. The honourable Minister of Labour happens to realize that I—oh, never mind. Maybe some of us have more than others. That is the issue. There are some people who do not have it and I am concerned that we are putting on them the added responsibility of more taxes. Municipal governments do not just pass the pot around. It is not like going to the kirk where they pass the plate until they get enough and then you can pay the preacher and pay for the building.

Instead, at the municipal government level they pass the little tax bill around and you pay it, in just the same way as the New Democratic Party member whose membership I ripped up today was complaining that he is having to pay taxes. He is saying, "Please don't keep adding to the taxes." I think they want me to think of something else to say.

Mr Conway: Is that a Queen's tie?

Mr Cousens: This is a Queen's tie and I paid for it—no, I did not; my daughter did.

Mr Runciman: Say something about Christmas.

1940

Mr Cousens: Say something about Christmas? I am talking about municipal taxes. It is an ugly subject and it makes me ugly to talk about it. I want to make everybody else a little bit more mean-minded. I think we in this House should be thinking very seriously about the negative impact of every tax we are levying across this province.

I thank our leader, the member for Nipissing, because if there is anyone who has fought tax increases, it is him. I also think there is not a more balanced individual than the member for Nipissing. If the government froze taxes at the level they are now, as he suggests, then it would find the money within its present budget, instead of continuing to let it creep up and up. People do not have the money. They would have money in their pockets for a happy

Christmas if the government was not taxing them so harshly.

Interjections.

Mr Cousens: I would like to wish everybody a very merry Christmas. If there is anything else that is very important it is that we can have a very happy Christmas for all the people of Ontario. May they have a very merry Christmas. For those who do not celebrate Christmas, may they have a very happy holiday season. These guys do not realize I live in a multicultural neighbourhood. We understand therefore that there are those who may not celebrate this particular festive occasion, but may they celebrate a very happy time with their families and may they enjoy a good time together in the days they have off.

I have pages to go on this issue and at least I would like to be able to make one final point. If we in this Legislature continue to have a commitment to all the people of Ontario the way we have to municipal employees, to make sure we are doing something in a leadership role for them, that they have some way in which they can plan their retirement, then every day will be Christmas Day for them when they have a sense of knowing there is some money in the bank, some food in the fridge and something there to last them for the days to come.

That is what we are here for, to make this province continue to be a strong, good place to live. May it be a great place this season of the year for every one of us and everybody within our municipalities, and may we as legislators try to do the right thing for them all the time.

Motion agreed to.

LEGISLATIVE ASSEMBLY
AMENDMENT ACT, 1991

LOI DE 1991 MODIFIANT LA LOI
SUR L'ASSEMBLÉE LÉGISLATIVE

Mr Cooke moved third reading of Bill 163, An Act to amend the Legislative Assembly Act / Projet de loi 163, Loi modifiant la Loi sur l'Assemblée législative.

The Acting Speaker (Mr Villeneuve): Would the minister like to make a few comments?

Hon Mr Cooke: I like the old tradition where there is not much talk on third reading.

Motion agreed to.

TEACHERS' PENSION STATUTE LAW
AMENDMENT ACT, 1991

LOI DE 1991 MODIFIANT DES LOIS
EN CE QUI CONCERNE LE RÉGIME DE RETRAITE
DES ENSEIGNANTS

Mr Cooke, on behalf of Mr Silipo, moved third reading of Bill 140, An Act to amend the Teachers' Pension Act, 1989 and the Teaching Profession Act / Projet de loi 140, Loi modifiant la Loi de 1989 sur le régime de retraite des enseignants et la Loi sur la profession enseignante.

Motion agreed to.

TRUCK TRANSPORTATION
AMENDMENT ACT, 1991

LOI DE 1991 MODIFIANT LA LOI
SUR LE CAMIONNAGE

Mr Cooke, on behalf of Mr Pouliot, moved third reading of Bill 129, An Act to amend the Truck Transportation Act, 1988 / Projet de loi 129, Loi portant modification de la Loi de 1988 sur le camionnage.

Motion agreed to.

ONTARIO MEDICAL ASSOCIATION
DUES ACT, 1991

LOI DE 1991 SUR LES COTISATIONS
DE L'ONTARIO MEDICAL ASSOCIATION

Mr Wessinger, on behalf of Ms Lankin, moved third reading of Bill 135, An Act to provide for the Payment of Physicians' Dues and Other Amounts to the Ontario Medical Association / Projet de loi 135, Loi prévoyant le paiement des cotisations des médecins et d'autres montants à l'Ontario Medical Association.

Mr Runciman: I simply want to say this is a very unfortunate agreement which I do not believe is in the best interests of health care consumers in this province.

The Acting Speaker (Mr Villeneuve): Mr Wessinger has moved third reading of the bill. Is it the pleasure of the House that the motion carry?

All those in favour please say "aye."

All those opposed please say "nay."

In my opinion the ayes have it.

Motion agreed to.

MINISTRY OF AGRICULTURE AND FOOD
STATUTE LAW AMENDMENT ACT, 1991

LOI DE 1991 MODIFIANT DES LOIS RELEVANT
DU MINISTÈRE DE L'AGRICULTURE
ET DE L'ALIMENTATION

Mr Buchanan moved third reading of Bill 144, An Act to amend certain Acts administered by the Ministry of Agriculture and Food / Projet de loi 144, Loi modifiant certaines lois dont l'application relève du ministère de l'Agriculture et de l'Alimentation.

Motion agreed to.

1950

House in committee of the whole.

FINANCIAL ADMINISTRATION
AMENDMENT ACT, 1991

LOI DE 1991 MODIFIANT LA LOI
SUR L'ADMINISTRATION FINANCIÈRE

Consideration of Bill 156, An Act to amend the Financial Administration Act / Projet de loi 156, Loi modifiant la Loi sur l'administration financière.

Section 1:

Mr Christopherson: On behalf of the Treasurer, I move that subsection 2(2) of the act, as set out in section 1 of the bill, be struck out and the following substituted:

"(2) The Treasurer shall establish in the name of the Treasurer and may authorize an agency of the crown to establish in the name of the agency accounts with any bank, trust corporation, co-operative credit society, credit

union, caisse populaire, credit union league or caisse populaire league that is authorized to carry on business in Ontario and is designated by the Treasurer for the deposit of public money."

The Second Deputy Chair: Could the honourable member please make sure the table has a copy of the amendment?

Mr Christopherson: Yes, I will, Mr Chair. Do you need that right away or can I provide it?

The Second Deputy Chair: We could use it any time, please.

The Second Deputy Chair: Are there any comments on the amendment that has just been put forth?

Mr Christopherson: The only comment I would have is that we have had an opportunity to talk with both opposition parties about this as thoroughly as I understand they need it, and at this point I believe there is agreement to pass the amendment.

2000

Mr Phillips: My understanding of the intent of the amendment is that it was essentially an oversight in the original drafting in that there were two definitions left out, I think two leagues. I do not have the amendment before me, but I had an opportunity to read it a few moments ago. On the understanding that really it was an oversight, we see no difficulty with the "league." I believe the third party had an opportunity to review it. I do not think we would have any difficulty including that in the bill.

Mr Harris: I know the member for Carleton was actively involved in this piece of legislation. I know he has expressed concerns as well about the complexity of the legislation and the fact that we would have liked to have more time for this. He also was hoping I believe to get some understanding from the Provincial Auditor. I think this particular amendment is not one of those areas he was requesting advice from the auditor on.

I now have the amendment in front of me. Perhaps the parliamentary assistant can just confirm for me that is not the case. I do not believe it is the case and my understanding is that we also believe, from our party's point of view, this amendment is necessary and will improve the bill.

The Second Deputy Chair: Does the parliamentary assistant have any comments?

Mr Christopherson: Just to affirm very clearly that the intent of the amendment is merely to include two designations that were omitted from the original. It is not meant to change in any way the intent of the legislation. Also, indeed the leader of the third party is correct in that the auditor was not asked to comment on this. At the appropriate time, I do have a copy of a letter from the auditor regarding the overall legislation. If there are any other assurances needed by the opposition parties with regard to this amendment, I am prepared to respond to them.

The Second Deputy Chair: All those in favour of the amendment will please say "aye."

All those opposed will please say "nay."

Motion agreed to.

Section 1, as amended, agreed to.

The Second Deputy Chair: Do any other members want to make comments on different sections of Bill 156?

Mr Phillips: There were a number of areas of the bill that we expressed concern about at the committee stage and that we continue to have.

Our fundamental concern with the bill is, we think, the inappropriate reporting of capital, a belief and a concern we have that the intent of the bill is to allow for the reporting of the finances of the province to be done in a way that will not allow for accurate year-to-year comparisons.

We have often heard the Premier say, and as a matter of fact, I think many members of the government have said, "We will balance the budget in 1997-98," I think it is. But they will not balance the budget. They might balance the operating budget, but there still will be a deficit of \$5 billion to \$6 billion on the capital account. So I can understand why the government may want to pass this bill and allow them to report the finances of the province in a way that we do not think reflects the true nature of the spending.

We had an awful lot of assurances at the committee that this was not going to happen, that the reporting would not change and that we were unduly worried. I am still worried, because the budget the Treasurer prepared on April 23 talks about "balancing the budget." We have heard the Premier say it often; we have heard members of the government say it often. So we continue to be apprehensive about that aspect of it.

The second aspect that worries us—and by the way, Mr Chairman, I think you appreciate that this bill significantly broadens the scope for the Treasurer as to what institutions he uses for his financing. The concern that was expressed by both ourselves and the third party had to do with regular disclosure of where those funds are being invested. I think there was concern at the committee stage that without a full knowledge and disclosure of where the funds of the province are being invested, it provides for the Treasurer, inadvertently perhaps, to direct funds to financial institutions without the public being aware of it.

I think one of my colleagues wanted some reassurance that this information would in fact be publicly available, either through an amendment to the bill to ensure that there is regular reporting of it or, at the very minimum, and perhaps the parliamentary assistant can help us here, an assurance that the information is publicly available on a regular basis and, if we do not amend the bill for a regular reporting, that the parliamentary assistant could inform the House of where that information is and how one would go about accessing it.

The third area of concern—and I hope we can deal with the bill by separating these three questions; the parliamentary assistant can give us a hand here—had to do with section 6 of the bill around interim supply. As we re-read this, there was some concern which the parliamentary assistant maybe can help us on. We wanted to be assured that passing this bill would not change the basis on which the Legislature deals with interim supply.

Those would be our three concerns. The one I am not sure the parliamentary assistant can help us on, because it is a very fundamental issue with us, is the reporting. We think there is a better way of reporting that would allow

for an annual reporting on what is the true cost of refurbishing our infrastructure. We suggest, rather than what this proposes to do, which is to show merely the amortization cost of the capital account, showing essentially an annual, what would be called in the private sector "depreciation" but here an "infrastructure refurbishing." That would be, I think, our fundamental concern.

The parliamentary assistant could help the House on those two points: first, disclosure of the investment and, second—it is section 6 of the bill, but section 14 of the act, "The treasury board, on the application of a minister, may authorize the Treasurer to make interim payments from the consolidated revenue fund"—assurances that, by passing that, we are not changing the basis on which we deal with interim supply in the House.

2010

Mr Harris: I know the member for Carleton felt very strongly on a couple of points that have been mentioned by my friend the member for Scarborough-Agincourt, particularly the changing of the reporting from the way it is done now, the capital accounts and the operating account, to make sure we were always talking apples to apples. I believe the member for Scarborough-Agincourt has expressed that viewpoint very well and I will not repeat it here.

I have one question I would like the parliamentary assistant to answer on that. I will put it now and then go on to the next issue. This does not come from the member for Carleton; it comes from me. I have heard many politicians argue that we should be reporting separately, the way businesses do. They report operating and capital, and provinces do as well, but businesses particularly.

One thing that businesses also do—the member is quite right—is they take their debt and many of their capital expenditures and put them over a much longer period of time, so it is not all being spent that year. It makes the books look a little better from that point of view.

However, all businesses also depreciate all their capital assets each year. If the government is really going to truly have an accurate reflection in the reporting of the province, I can accept that the operating budget is one and the capital is another, but it also strikes me that we should have a reporting of the total capital assets of the province and a fair method of depreciating those assets so that we could also determine whether the government is putting enough into repair and maintenance to balance the depreciation that is in effect there and whether that is being reported.

We could get a very different figure. I have no idea, for example, what the capital assets of this province are. I do not know how many billions they are, our roads, our highways, our hospitals. Some will argue those are in different accounts, but let's face it, we pay pretty much 100% of operating hospitals and the maintenance and repair. Clearly we are in hundreds of billions of dollars of capital assets.

Were we, as a business does, to depreciate those assets—even, say, 5% a year—we would in effect be adding several billions more to our deficit each and every year. I do not think governments would want to do that for report-

ing purposes, but it might also help give us a more accurate reflection of how we stand as a province.

I would be interested if the parliamentary assistant could tell me if there has been any discussion on that. I do not expect, at this particular hour, on this particular day, at this particular time of the season close to Christmas, that if they are not prepared to move on that in this bill at this time, they will, but I would be interested in his thoughts on that briefly.

Second, with regard to the quarterly reporting on the short-term investment, the member for Carleton felt very strongly that to give a more accurate understanding when quarterly reports are being issued, the short-term investments of the province should be released quarterly as well.

I see no reason why that cannot be done. I do not have an amendment prepared to suggest that it must be done, but if the parliamentary assistant agrees with me in his response, I would be prepared to sit down with him and draft the amendment and figure out where it goes.

Mr Christopherson: I thank the honourable members for their constructive comments and concerns regarding this amendment. I will do the best I can to address some of the concerns that were raised. First of all, with regard to the capital accounts, the separating of the operating and the capital, that indeed has been the focus of a great deal of discussion by all of us, both here in the House and in committee. Indeed, we had the Provincial Auditor present and we went into it, I think, in relative depth with him.

I suppose the best thing I can do with regard to this concern is to advise of a copy of a letter that I have addressed to the Chair of the standing committee on finance and economic affairs, the member for St Andrew-St Patrick. It is a very brief letter, two very short sentences, and I would like to read it, if I can.

"Dear Ms Akande:

"Re Amendments to Financial Administration Act:

"As requested by the committee, I have now reviewed section 15(2) of the act regarding the creation of a capital account with officials of the Ministry of Treasury and Economics. As a result, I am satisfied that the province's total deficit (operating and capital combined) will continue to be reflected in future annual financial statements."

It is signed by the Provincial Auditor and dated December 13. I have copies here if members of the committee do not yet have their own copies. That should, I hope, in fairness, alleviate all the concerns that members have about the reporting aspects of the split in the operating and the capital accounts.

Also, before I move on to a couple of the other subjects mentioned, this should make it easier for the province, for the taxpayers, for the auditor and for all of us, quite frankly, to determine whether or not we are spending enough money on infrastructure, refurbishing and maintaining that infrastructure and ensuring that we are keeping the edge we now have.

On disclosure, which was raised by the leader of the third party, we cannot agree to any kind of amendment, not because the essence of his request is unacceptable. Quite frankly, as much information as he would like as can be released our Treasury officials are prepared to release. The

reason we do not want it entrenched in the legislation is that there is a concern, I am advised by Treasury officials, that because of the movement of short-term investment, were we to disclose too quickly where we are going in the market, there would be an ability for others to see where we are going and where we have been and in effect harm the taxpayers' ability to maximize their investment benefits out in the market.

On interim supply, I have asked staff about that and I am advised that this will not have any impact on the current procedure for interim supply. The last thing I would say is that if members would like information on short-term investments, if they would like to make those requests in writing to the Treasury officials, it will be made available to them as soon as the issue of confidentiality allows. Also, whether or not there is a request, that information will be made available to the auditor at the end of the year for reporting purposes. I hope I have addressed the major concerns. I am prepared to answer other questions if need be.

2020

Mrs Sullivan: This is a bill in which I have some considerable interest. I am quite satisfied with the borrowing instruments that are included in the bill. I am very concerned about some of the approaches to investment instruments that are included in the bill, because we see included in this bill, as a way of approaching investment by the province through the office of the Treasury, investment in short sales, in puts and calls, in the futures market, in private corporations without any reference to their investment capacity, the entire power of investment of the province in those areas. We see a potential for risk investment in foreign money markets and in currency exchange areas, and we see those issues being ascribed even further to be used as instruments of social policy.

This bill will allow the government to invest in any private corporation, whether publicly listed or simply registered, as an instrument of social policy. We do not believe that is the way the office of the Treasury of this government should operate. Those kinds of investment decisions should be made and carried out through a line ministry, through a policy that is clear, open and above-board; for example, through the Ministry of Industry, Trade and Technology. We believe the influence of the province in its investments can change the way the market operates if it is a publicly traded stock. I do not think the assurances of the parliamentary assistant have met my concerns.

We are also very concerned that social policy would be determined by unilateral action through the office of the Treasury, by direction of the Treasurer, when a line ministry decision which can be examined in a policy context is what should be before the people.

As my colleague has indicated, we are concerned about the capital budget projections moving to an accrual system and the reporting of that capital budgeting arrangement, including the backlog of capital that is not being reported, the obligations against that capital or the disposition of that capital in the future.

These are issues of some concern. In committee, the parliamentary assistant agreed that he would bring those issues forward. He has addressed some of the issues in his commentary tonight. I think these are other issues that we want to have on the table and that we would like him to respond to tonight.

Mr Christopherson: I assure the honourable member for Halton Centre that to the best of my knowledge, from discussions with our Treasury officials as a result of concerns raised in committee, the basic, fundamental way in which this government invests and the checks and balances that are in the system will not be affected by this amendment. In fact, I believe Hansard will show that I asked rather pointed questions of the Provincial Auditor along that line. He also gave assurances that he did not see any major weakening of the kind the member has raised. I believe the very small-c conservative approach of this Treasurer and other treasurers in taking care of the investments of the taxpayers will continue.

I would point out that some of the concerns raised about investments in some of these new areas will have the same rules and regulations applied that have applied to current institutions for investment. Indeed there have been times when Ontario investments have been taken out of banks in this nation, and when one of those banks folded, we had already, as a province, removed the money.

I believe there has been a thorough discussion of this, particularly with the Provincial Auditor. Although I recognize how sincere the member is in raising these concerns, I do not believe they are well founded and I do not believe this particular amendment will have any impact on the safekeeping and proper investment that previous treasurers and the current Treasurer apply to the funds of the citizens of Ontario.

Sections 2 to 16, inclusive, agreed to.

Bill, as amended, ordered to be reported.

On motion by Mrs Grier, the committee of the whole reported one bill with certain amendments.

FINANCIAL ADMINISTRATION AMENDMENT ACT, 1991

LOI DE 1991 MODIFIANT LA LOI SUR L'ADMINISTRATION FINANCIÈRE

Mr Christopherson moved third reading of Bill 156, An Act to amend the Financial Administration Act / Projet de loi 156, Loi modifiant la Loi sur l'administration financière.

The Acting Speaker (Ms Haeck): All those in favour will please say "aye."

All those opposed say will please say "nay."

In my opinion the "ayes" have it.

Call in the members.

Hon Mr Cooke: There is an agreement that all the votes will be stacked.

The Acting Speaker (Mr Villeneuve): There is an agreement among the House leaders that votes will be stacked.

Vote deferred.

RETAIL SALES TAX AMENDMENT ACT, 1991

LOI DE 1991 MODIFIANT LA LOI
SUR LA TAXE DE VENTE AU DÉTAIL

Resuming the adjourned debate on the motion for second reading of Bill 130, An Act to amend the Retail Sales Tax Act / Projet de loi 130, Loi modifiant la Loi sur la taxe de vente au détail.

The Acting Speaker (Mr Villeneuve): We are now resuming the debate on Bill 130. The honourable member for Willowdale had the floor when the debate was adjourned.

Mr Harnick: I have no further comments on Bill 130.

Mrs Y. O'Neill: I am glad that the member for Willowdale has had sufficient time to give us his comments because he really did have a lot to say on this bill.

I think Bill 130 should be renamed. I think it should be named the tax on auto workers. This legislation implements the NDP budget policy extending the gas guzzler tax on new automobiles and is indeed an indirect tax on automobile workers—this week has shown that—a tax that helps put them off the line and out of work.

It is true that the taxation of fuel-inefficient automobiles began with a Liberal government initiative as part of the 1989 provincial budget. It is important to note that the Liberal gas guzzler tax was only targeted to 42 of the most fuel-inefficient car models. It was primarily designed to exact a premium from and to discourage the purchase of luxury foreign-made automobiles such as Rolls-Royces, Ferraris and the like. The gas guzzler tax was not a major revenue generator for the province under the Liberal government, producing only \$8 million a year. Its focus was energy conservation and environmental protection. It was not designed to be a tax grab, as is Bill 130.

2030

On April 29, 1991, the current Treasurer, however, announced in his budget a substantial increase and extension of the gas guzzler tax. The NDP budget version of this tax reduced the low end of the range of cars covered by the tax from 9.5 litres per 100 kilometres to 8.5 and doubled the amount of tax in each of the previous gas mileage categories. The tax was also extended to include sport and utility vehicles. Indeed, this bill extends taxation to all full-sized vehicles, including four-wheel-drive trucks. Once announced, this tax hike was promptly denounced by management and labour alike, including Bob White, head of the Canadian Auto Workers, and Ken Harrigan, president of Ford and head of the Motor Vehicle Manufacturers' Association.

On June 25, 1991, the Ottawa Citizen stated, "The news infuriated the auto makers, who complained the new rates would drive away business," an increasingly familiar cry from the business community. The Financial Post of December 12 talks about "GM Warning on Plants and Jobs." The tax was criticized as unfair for penalizing sport and utility vehicles, often used by families that have few other vehicle choices. For example, some large families drive mini-vans, and northerners and farmers often use trucks as off-road vehicles. For these and many other Ontarians, these vehicles are a matter of necessity. They have no choice. They are not a luxury.

During the Liberal budget tour we held in 1991, John Walker of the Thunder Bay Economic Development Commission noted that northerners have been hit both with the increase in the gasoline tax and the gas guzzler tax, which penalize those who have to drive larger vehicles because they drive longer distances over much rougher roads. The Minister of Revenue, herself a northerner, must be concerned about the impact of these revenue generators on northern Ontario families, yet there was not one mention of this from the minister. Her own constituents are going to have a very detrimental result from Bill 130.

Would the Minister of Revenue want to be limited to driving a three-cylinder subcompact, the only type of car that qualifies for the \$100 rebate, between Thunder Bay and Atikokan on a stormy winter's day? May I remind the House that only 1% of all vehicles purchased in Ontario presently qualify for this modest but highly touted rebate. Many Ontario-made vehicles and parts are caught by this new tax, making it effectively a tax on auto workers, as I call it.

The NDP gas guzzler tax basically extended coverage to all full-size vehicles, including four-wheel-drive trucks, as I have stated. The gas guzzler tax lists are expanded by Bill 130 and include Chrysler Magic Wagons with automatic transmissions, several Ford products including engines made in both Windsor and St Thomas, the Suzuki Sidekick—all vehicles which in both manufacturing and sales keep Ontario workers off the unemployment rolls—the Chevrolet Lumina and the Buick Regal, which are and have been traditionally built in Oshawa but which I fear will soon be built exclusively in the United States.

The article I pointed to earlier certainly outlines this point, "GM Warning on Plants and Jobs." What plants and jobs are talked about in this article? Oshawa plant number 1 and Oshawa plant number 2. What are the models that are created in these plants? The Lumina and the Buick Regal. These are the cars this tax is going to affect. These are the plants that are now in jeopardy. We do not see a government with any connection being put through its brainwaves on this event.

In the press—this and other items I have just shown members—we have learned that General Motors is under intense pressure from investors and bond-rating agencies to do something radical to improve its profitability and cash flow in 1992. GM, which has been the backbone of industry in this province, is now being questioned by investors and bond-rating agencies. GM Canada has suffered one of the sharpest sales drops in its history, which has led General Motors to consider moving its number 2 plant to the United States, and perhaps parts of its number 1 plant. As we all know, this will likely result in 3,800 or 4,000 jobs in a very important industry, the automotive industry, going from this province.

Bill 130 is all this government can offer GM at this time of need. Is Bill 130 all this government is going to offer GM to help keep Ontario workers off the unemployment rolls, or more correctly, I should say, to keep them off the line to put them out of work?

GM has estimated that the original budget version of the NDP gas guzzler tax would hit 21 of its car models and as many as 32 of its sport utility vehicles. Ford estimated it

would have had 15 models affected. According to the Ontario Automobile Dealers Association, an additional 202 vehicles have been hit by this budget announcement of the NDP automotive tax, in contrast to only 42 models covered by the previous tax, an extension of over 400%. That is 42 to 202 with Bill 130.

The budget version of the gas-guzzler tax resulted in Ford reconsidering plans to relocate production of the Bronco line to Oakville. Ford Canada estimated the tax would cost it \$50 million and 3,000 lost vehicle sales in 1992. So why would they relocate to Oakville?

Even environmental groups agree that the "tax only" approach is not necessarily the most effective way of helping the environment. Friends of the Earth said that a better program would also offer tax rebates to purchasers of fuel-efficient vehicles, a little bit of positive thinking on the part of this government, but no, we have negative thoughts. This other program I mentioned has been tried successfully in California.

This legislation makes an almost meaningless token gesture in the direction of the environment. A \$100 rebate on the price of an automobile is not going to change many purchasing decisions, especially when it only affects 1% of the purchases. The Liberal opposition raised its concern regarding the new gas guzzler tax on numerous occasions. There were other criticisms in the community. To respond to this, the Treasurer met with Canadian Auto Workers reps as well as representatives from the Big Three auto manufacturers, the Motor Vehicle Manufacturers' Association and the Ontario Automobile Dealers Association, parts manufacturers' representatives and environmental groups.

All these people got together, including Pollution Probe and Friends of the Earth, on May 16, 1991. What should have happened before the budget happened after the budget. That is why we have Bill 130. As a result of these negotiations—I think we should say they were negotiations rather than consultations—the Treasurer came forward and announced that he would be changing that budget line and would now be introducing, as he did on June 24, Bill 130. This is another one of the flip-flops of this NDP government.

The effect of the change was to lower the rate of the budget tax proposals for many vehicles, but also to extend the tax to an even wider range of vehicles, so we have less choice with a little lower tax. A rebate of \$100 will be provided to purchasers of vehicles with fuel consumption ratings of less than six litres per 100 kilometres. Does the minister have any assurance from the automobile manufacturers that they intend to produce additional model lines that will capitalize on this rebate? Have there even been discussions along these lines? I doubt it. We have heard nothing. If not, this rebate is going to be meaningless and it will not be a very successful effort.

2040

In essence, the so-called gas guzzler tax changed from being targeted to only the worst gas guzzling vehicles to cover most vehicles on the road today. I repeat, the effect of Bill 130 changed this from the worst gas guzzling vehicles on the road today into a much broader sphere.

According to the Treasury staff, the previous gas guzzler was aimed at 10% of automobiles sold in Ontario. The

June 24 announcement is extended to 99% of all vehicles sold in Ontario. It hits at the heart, the head, the feet, the very soul of the industry. I repeat, 99% of all vehicles produced in this province are affected by Bill 130. It has been indicated that the overall revenue from the revised tax will be as high as \$45 million.

It is clear to us on this side of the House that the NDP has changed the tax from being an environmentally based deterrent to a broad-based, regressive tax grab. Where the original Liberal policy motive was green, this NDP tax policy is greed. This tax is regressive because it is across-the-board tax. It taxes automobiles regardless of their value, thus impacting on larger, low-income Ontario families and Ontarians with special or challenging transportation needs disproportionately.

There are alternatives. There are many alternatives in this country and there are alternatives in the United States, but they were never examined. This tax is regressive, from a party which has always touted its goal to present progressive taxation. It is regressive because it impacts rural, northern and eastern Ontarians who do not have all the public transportation options that are available in Ontario's urban communities. They are often required, by distance and terrain, to purchase vehicles in the more heavily taxed categories. The Treasurer has refused to answer our questions about how this latest extension of the tax to include 99% of vehicles would deter people from buying fuel-inefficient cars. There are few, if any, vehicles to buy in this category—1%.

Many and various interest groups have been less than enthusiastic in their response to Bill 130. Even Bob White could only say that the plan is "a more uniform tax...much less damaging on the bottom line of the industry in terms of how it would skewer the sales of certain models." Bob White's remarks were hardly a ringing endorsement from the labour community. He likely fears and is fully aware of the announcement that we have heard about General Motors. He knows more about it than we do. But the truth is that Bill 130 is uniform in being ineffective in encouraging people to conserve fuel and be conscious of the environment. Not only that, it puts people's jobs on the line—in fact puts people off the line.

The Association of International Automobile Manufacturers of Canada president Donald McArthur said, "It still puts a tax on quite fuel-efficient cars and I don't understand the rationale for that, other than that the government required the revenue. It is certainly not going to achieve any environmental objective....As the tax stands now, it will damage the automobile industry at a time when it's just beginning to recover from the recession."

Interjections.

Mrs Caplan: On a point of order, Mr Speaker: I am aware that there are some interjections from members who are not in their seats and I know that is contrary to our rules of order.

The Deputy Speaker: Thank you.

Mrs Y. O'Neill: Nick Hall of GM stated that his company "continues to have serious reservations" about the tax.

What is most disturbing about Bill 130, however, is the way in which it came about. Only after they had an initial

announcement, which shook the entire automobile industry of this province to its core, did this government agree to consult with the stakeholders. Only after the industry was shaking and trembling did the government finally decide to consult. I need not remind anyone in this House that this is the same government that uses day after day the magic words "consultation," "open," "responsive to difficult issues," and here we have the kind of response to a difficult issue. This has been promised to us time and time again.

Is it the intention of the NDP government to make tax announcements which cause massive confusion and concern to those affected and then re-examine its decisions, making flip-flop after flip-flop even on major, fundamental pieces of legislation such as tax bills?

I suggest it would be more efficient and effective for the government to consult with the affected groups prior to making these decisions and to conduct impact studies. We see nothing in the way of impact studies; they are never presented when the bills are presented. We know they are not happening and we cannot get any commitment to impact studies from this government. Tax changes affect people's lives and we are into major tax changes with this government.

Is the minister collecting data concerning purchasing trends since this legislation came into effect on July 1, 1991? I really hope she is doing that. Can she give us any indication that it has deterred any people—in fact, one person—in this province from buying an efficient vehicle? Has one person in this province changed his buying habits because of Bill 130? In other words, has there been an increase in the sale of vehicles receiving the rebate with fuel-consumption rates of less than six litres per 100 kilometres? Are data being collected? Has 1% of the market grown to 2%, 3% or 5%? This government risks its very credibility on poorly executed tax policies, and this is just one in a series.

Is this tax going to affect the automobile industry, already struggling out of the recession? I am afraid the answer is yes, but it is going to affect them very negatively and this industry does not need to be affected negatively at this point. The recovery will be further delayed in a fundamental core industry in this province. This is going to hurt us badly as Ontarians, as we enter the 21st century. I think the Treasurer will find the carrot-and-stick approach to revenue policy just does not work, especially in this case where the stick is very big and the carrot provides barely a bite.

I want to close with a cartoon again. "Ontario, Yours To Discover," and in this we have the sales tax, gas tax, tobacco tax, booze tax and the gas guzzler tax. That is the Ontario we are now discovering.

Mr Bradley: I am not expecting any more speakers for our party so I will take the last two minutes to compliment the member on her speech this evening, which deals with the tax on auto workers in Ontario.

I asked a question about this during question period earlier in the day and tried to persuade the Treasurer of this province that it would be wise to withdraw this tax which is going to increase the price of automobiles in Ontario and thereby have a detrimental effect not only on those

plants which assemble the vehicles in the province but also on those plants which make the various parts—the component plants, drive-train plants and supplier plants. For this reason, first, our party is adamantly opposed to this tax, particularly as it is in the midst of the deepest recession we have been in since the 1930s. Second, it is also at a time when the industry is facing the greatest competition it has faced in the history of automobile making in North America and in the world.

Third, I want to respond because the Treasurer always suggested this is an environmental tax. He would know that by removing this tax and by removing the sales tax on all vehicles sold in Ontario, he could spur the economy, get the automotive industry back on its feet and at the same time put on the roads of Ontario vehicles which are more fuel efficient and have better emission standards and emission-control equipment in them.

So I implore the government, when it has the time over the recess, to think about this bill with a good deal of care, to consider withdrawing this tax, to consider starting again, to consider providing some assistance to the automobile industry in the province, upon which so many rely for jobs, either directly or indirectly. I am confident the Treasurer, when he has a chance to reflect, will see the wisdom of the arguments the opposition has advanced for so many weeks and months now.

2050

Mr McClelland: I want to add a couple of comments already in part alluded to or touched on by our leader, the member for St Catharines. As the member for Brampton North, I want to draw to your attention, Mr Speaker, that a very significant part of our local economy is based on the automobile industry. Chrysler-Jeep-Eagle assembly built not too long ago a massive plant in the riding of Brampton North. That particular operation faces considerable rationalization and reorganization, as does the workforce in the entire automobile industry.

The points raised by our leader are very significant not only to the entire province and to his riding of St Catharines but also to the riding of Brampton North and the riding of my colleague the member for Brampton South. It is a vital part of the local economy in our community. Our community is in an interesting position. About two years ago we had an employment problem inasmuch as it was difficult to find people to fill all the jobs that were available. We have had a complete turnaround of late and now we have a serious unemployment problem.

We have to be very creative in government, I say to my friends opposite. We are looking to them for the type of initiatives that will give the automobile industry, which is already in difficult times, at least some opportunity, as it rationalizes its operations, to expand in specific areas and markets that will appeal to the consumer.

The member for St Catharines very ably said that this is touted as an environmental initiative. It is not really that at all, and we know that. It is a tax to raise revenues, which is certainly the prerogative of the Treasurer. As Environment critic for our party, I want to add that we wish we would have some initiatives that are positive in nature and that would reward people for taking the appropriate action

in terms of being sensitive and forward-thinking about the environment.

Mr Callahan: I would like to say that this tax, as was indicated by the member for St Catharines, is really a job-losing tax for auto workers. We have one of the largest Chrysler plants in Brampton that provides significant jobs to people, but when you put this type of tax on cars that are being produced, you slow down the sale of cars within the community, ie, you put in jeopardy the jobs of the people of my community. When you consider there have been some 486,000 people out of work in this province, any taxes being implemented by this government have to be done very carefully to make certain they do not impact on those people who are very vulnerable.

I suggest that the people in the auto industry who are making cars in this province are people who are vulnerable, because their jobs fluctuate with the market. If the Treasurer does anything to interfere with that market, he jeopardizes their jobs and he jeopardizes the future of their children and their families.

I want to pick up on a point my colleague made. This tax purportedly was put out as an environmental tax. If you look at the cars being affected, that makes absolutely no sense. I suggest that the young people out there understand that. They understand this is a tax grab. They understand that if their fathers are auto workers their jobs are in jeopardy. When the government looks at future taxes it better make certain it tells it as it is. They should not say it is an environmental tax if it is not. They should make sure that when they do it they do not interfere unduly with the jobs of people who work on an hourly basis, whose jobs are perhaps in jeopardy because of the recession itself.

This is nothing more than a tax grab. The people of this province who work in the auto industry will understand that, and the government will rue it.

Mr O'Connor: The reason I feel obliged to get up and speak on this bill is because on May 28 this past year, shortly after the bill was introduced, I presented a petition in this House signed by the auto workers from Oshawa, workers I had worked with on the assembly line. They were concerned about their jobs because of the way the tax was then set up. The Treasurer, in his wisdom, took a look at it and changed it a little.

I want to explain the fact that these jobs the members are talking about right now and these jobs we are hearing about have nothing whatsoever to do with the tax. We heard the members opposite speak many times over the course of the last couple of days about this and they kept relating the two. They talked about the history of perhaps people being laid off because of various changes in the economy. During the time I was an auto worker in Oshawa I saw people who had lost their jobs come into the factory where I worked, people who came from Firestone, Houdaille and Pedlar, people who were well up in age, and they came there as a result of changes within the economy.

We should recognize this tax for what it is. The Treasurer changed it, and I think it showed a lot of flexibility in this government. I want to thank the members for allowing me this time to express that and wish them all a merry Christmas.

Mrs Y. O'Neill: I believe people will agree with the message I gave that this tax is really a tax grab. It is not green; it is greed. There were alternatives. There could have been much more in the way of consultations. In fact, the consultations all took place after the fact. This is the kind of message this government continues to give out: "If we scare you enough and you get excited enough and you finally get our ear, then we'll change the policy." Time after time we are getting flip-flop after flip-flop. I really hope the next flip-flop will be about the child care workers in the private day care centres.

Mrs Marland: I do not plan to speak very long on this bill, but I say at the outset that if there is one piece of legislation that really is surprising coming from this socialist government, it is Bill 130; a bill, in spite of the comments made a few moments ago by one of the government members, that will affect the future sale and manufacture of automobiles in this province. That member made comment about the number of jobs that have been lost having no relevance to this bill, but surely he is not so naïve as not to understand the impact of this bill.

The government seems to think that if there is some commodity without which the public cannot live that it is the best thing in the world to tax, because the government knows that people in this province are going to have to buy automobiles. The problem is that now when they buy automobiles, except for the 1% or 2% that do not fall into the category for taxation under this bill, everybody is now going to have to pay a further added tax on the fuel consumption.

If we could think for one fanciful moment that any of the money was not going to just fall into the deep black hole of the general revenue fund but instead would be directed to research and development of alternative fuels, perhaps research and development in the conservation area dealing with alternatives for environmental protection programs, perhaps we could be more sympathetic. But we know full well that this is simply another government tax bill, another government tax grab. We know this money is going to go into the government's general revenue fund without any designation for use in dealing with the problem in the future of fuel consumption and heavy gas guzzling cars.

In this case, it is not even the larger, more heavily consuming cars that are a problem; it is apparently all cars with the exception of three-cylinder cars. Is that not interesting? I do not know how many people you know, Mr Speaker, who drive three-cylinder cars. I would suggest not very many.

2100

This bill is about as significant as the previous Liberal government's bill when it charged \$5 on tires. The tire tax was a previous Liberal government's tax that affected the cost and impacted the cost of new automobiles. Now we are saying: "Well, folks, the tire tax went into the general revenue fund. It was not directed to tire recycling programs or other environmental programs looking at the safe disposal of tires so that tire tax did not mean anything."

We are quite sure that this tax on new automobiles, because they happen to use gasoline, is going to go the same route. It is a disgusting piece of legislation because it

penalizes everybody. The majority of people in Ontario who own cars own them in the majority of cases because they need them to do their business, to get to and from work and, in cases of limousines and taxis, we are talking about the very basic tool of their livelihood.

It is a further demonstration that this Bob Rae socialist government is so far out to lunch it does not have a clue about the impact and the regressiveness of this Bill 130, An Act to amend the Retail Sales Tax Act.

Hon Ms Wark-Martyn: I would like to close debate.

The House divided on Ms Wark-Martyn's motion for second reading of Bill 130, An Act to amend the Retail Sales Tax Act, which was agreed to on the following vote:

Ayes—53

Abel, Allen, Bisson, Boyd, Buchanan, Christopherson, Churley, Cooke, Cooper, Coppen, Drainville, Ferguson, Frankford, Grier, Haeck, Hampton, Hansen, Harrington, Haslam, Hayes, Hope, Jamison, Johnson, Klopp, Lankin, Laughren, Lessard, Mackenzie, MacKinnon, Malkowski, Mammoliti, Marchese, Martel, Mills;

North, O'Connor, Owens, Perruzza, Philip, E., Pilkey, Silipo, Sutherland, Ward, B., Wark-Martyn, Waters, Wessenger, White, Wilson, F., Wilson, G., Winninger, Wiseman, Wood, Ziemba.

Nays—22

Arnott, Beer, Bradley, Caplan, Carr, Conway, Cordiano, Cunningham, Eves, Fawcett, Harnick, Harris, Mancini, Marland, McClelland, Murdoch, B., Offer, O'Neill, Y., Phillips, G., Poirier, Sullivan, Wilson, J.

Bill ordered for committee of the whole House.

2113

**FINANCIAL ADMINISTRATION
AMENDMENT ACT, 1991**

**LOI DE 1991 MODIFIANT LA LOI
SUR L'ADMINISTRATION FINANCIÈRE**

The House divided on Mr Laughren's motion for third reading of Bill 156, An Act to amend the Financial Administration Act, which was agreed to on the same vote.

House in committee of the whole.

RETAIL SALES TAX AMENDMENT ACT, 1991

**LOI DE 1991 MODIFIANT LA LOI
SUR LA TAXE DE VENTE AU DÉTAIL**

Consideration of Bill 130, An Act to amend the Retail Sales Tax Act / Projet de loi 130, Loi modifiant la Loi sur la taxe de vente au détail.

Section 1 agreed to.

Section 2:

The Chair: Ms Wark-Martyn moves that subsection 2c(11) of the act, as set out in section 2 of the bill, be amended by striking out "sixty" in the sixth line and inserting in lieu thereof "thirty."

Hon Ms Wark-Martyn: This amendment will allow manufacturers and importers to report highway fuel consumption ratings up to 30 days prior to the first retail sale of a new vehicle in Ontario rather than 60 days.

Motion agreed to.

Section 2, as amended, agreed to.

Sections 3 to 9, inclusive, agreed to.

Bill, as amended, ordered to be reported.

2120

INCOME TAX AMENDMENT ACT, 1991

**LOI DE 1991 MODIFIANT LA LOI
DE L'IMPÔT SUR LE REVENU**

The Chair: Shall Bill 83, An Act to amend the Income Tax Act, be reported to the House?

Bill ordered to be reported.

TOBACCO TAX AMENDMENT ACT, 1991

**LOI DE 1991 MODIFIANT LA LOI
DE LA TAXE SUR LE TABAC**

The Chair: Shall Bill 84, An Act to amend the Tobacco Tax Act, be reported to the House?

Bill ordered to be reported.

GASOLINE TAX AMENDMENT ACT, 1991

**LOI DE 1991 MODIFIANT LA LOI
DE LA TAXE SUR L'ESSENCE**

The Chair: Shall Bill 86, An Act to amend the Gasoline Tax Act, be reported to the House?

Bill ordered to be reported.

On motion by Mr Cooke, the committee of the whole House reported three bills without amendment and one bill with a certain amendment.

The Acting Speaker (Mr Villeneuve): Shall the report be received and adopted?

All those in favour please say "aye."

All those opposed please say "nay."

In my opinion, the ayes have it.

Agreed to.

INCOME TAX AMENDMENT ACT, 1991

**LOI DE 1991 MODIFIANT LA LOI
DE L'IMPÔT SUR LE REVENU**

The House divided on Ms Wark-Martyn's motion for third reading of Bill 83, An Act to amend the Income Tax Act, which was agreed to on the following vote:

2137

Ayes—56

Abel, Allen, Bisson, Boyd, Buchanan, Charlton, Christopherson, Churley, Cooke, Cooper, Coppen, Drainville, Ferguson, Frankford, Grier, Haeck, Hansen, Harrington, Haslam, Hayes, Hope, Johnson, Klopp, Lankin, Laughren, Lessard, Mackenzie, MacKinnon, Malkowski, Mammoliti, Marchese, Martel, Martin, Mathysen, Mills, Murdock, S., North, O'Connor, Owens, Perruzza, Philip, E., Pilkey, Silipo, Sutherland, Ward, B., Ward, M., Wark-Martyn, Waters, Wessenger, White, Wilson, F., Wilson, G., Winninger, Wiseman, Wood, Ziemba.

Nays—22

Arnott, Beer, Bradley, Callahan, Caplan, Conway, Cordiano, Cunningham, Eves, Fawcett, Harnick, Harris, Marland, McClelland, Murdoch, B., Offer, O'Neill, Y., Phillips, G., Poirier, Scott, Villeneuve, Wilson, J.

TOBACCO TAX AMENDMENT ACT, 1991
LOI DE 1991 MODIFIANT LA LOI
DE LA TAXE SUR LE TABAC

The House divided on Ms Wark-Martyn's motion for third reading of Bill 84, An Act to amend the Tobacco Tax Act, which was agreed to on the following vote:

2143

Ayes—56

Abel, Allen, Bisson, Boyd, Buchanan, Charlton, Christopherson, Churley, Cooke, Cooper, Coppen, Drainville, Ferguson, Frankford, Grier, Haeck, Hansen, Harrington, Haslam, Hayes, Hope, Johnson, Klopp, Lankin, Laughren, Lessard, Mackenzie, MacKinnon, Malkowski, Mammoliti, Marchese, Martel, Martin, Mathysen, Mills, Murdock, S., North, O'Connor, Owens, Perruzza, Philip, E., Pilkey, Silipo, Sutherland, Ward, B., Ward, M., Wark-Martyn, Waters, Wessinger, White, Wilson, F., Wilson, G., Winner, Wiseman, Wood, Ziemba.

Nays—22

Arnott, Beer, Bradley, Callahan, Caplan, Conway, Cordiano, Cunningham, Eves, Fawcett, Harnick, Harris, Marland, McClelland, Murdoch, B., Offer, O'Neill, Y., Phillips, G., Poirier, Scott, Villeneuve, Wilson, J.

2147

FUEL TAX AMENDMENT ACT, 1991
LOI DE 1991 MODIFIANT LA LOI
DE LA TAXE SUR LES CARBURANTS

The House divided on Ms Wark-Martyn's motion for third reading of Bill 85, which was agreed to on the same vote.

STATUS OF BUSINESS

Mr Cooke moved that notwithstanding the prorogation of the House,

(i) all government bills except Bill 114, An Act to amend the Education Act and certain other Acts with respect to Special Education; Bill 117, An Act to amend the Courts of Justice Act, 1984 respecting Provincial Judges' Compensation; Bill 125, An Act to amend the Education Act and certain other Acts relating to Education;

(ii) all government orders with respect to committee reports;

(iii) all private members' bills referred to standing committees;

(iv) the following private members' bills referred to committee of the whole House or pending third reading: Bill 22, An Act to provide for Certain Rights for Deaf Persons; Bill 87, An Act to amend the Highway Traffic Act with respect to Volunteer Fire Fighters; Bill 155, An Act proclaiming Earth Day;

(v) all private bills referred to standing committee on regulations and private bills except Bill Pr27, An Act respecting the City of Toronto, and Bill Pr80, An Act respecting the City of Toronto; and

(vi) all matters referred to or designated in any select, special or standing committees;

remaining on the Orders and Notices paper at the prorogation of the first session of this Parliament be continued

and placed on the Orders and Notices paper on the second sessional day of the second session of the 35th Parliament at the same stage of business for the House and its committees as at prorogation.

Motion agreed to.

2150

COMMITTEE SITTINGS

Mr Cooke moved that the following committees be continued and authorized to meet during the recess between the first and second sessions of the 35th Parliament, in accordance with the schedule of meeting dates agreed to by the three party whips and tabled with the Clerk of the assembly, to examine and inquire into the following matters:

Select committee on Ontario in Confederation to consider matters related to Ontario in Confederation;

Special committee on the parliamentary precinct to meet from time to time at the call of the co-Chairs of the committee to consider matters related to the repair and restoration of the Parliament Building;

Standing committee on administration of justice to consider Bill 74, An Act respecting the Provision of Advocacy Services to Vulnerable Persons, Bill 108, An Act to provide for the making of Decisions on behalf of Adults concerning the Management of their Property and concerning their Personal Care, Bill 109, An Act respecting Consent to Treatment, Bill 110, An Act to amend certain Statutes of Ontario consequent upon the enactment of the Consent to Treatment Act, 1991 and the Substitute Decisions Act, 1991, Bill 7, An Act to amend the Powers of Attorney Act, and Bill 8, An Act respecting Natural Death;

Standing committee on finance and economic affairs to consider Bill 150, An Act to provide for the Creation and Registration of Labour Sponsored Venture Capital Corporations to Invest in Eligible Ontario Businesses and to make certain other amendments, and matters related to pre-budget consultation;

Standing committee on general government to consider Bill 121, An Act to revise the Law related to Residential Rent Regulation, and matters designated pursuant to standing order 123;

Standing committee on government agencies to consider the operation of certain agencies, boards and commissions of the government of Ontario and to review intended appointments in the public sector;

Standing committee on public accounts to consider the 1990 and 1991 annual reports of the Provincial Auditor;

Standing committee on the Ombudsman to write a report to the House;

Standing committee on resources development to consider Bill 118, An Act to amend the Power Corporation Act;

Standing committee on social development to consider Bill 143, An Act respecting Management of Waste in the Greater Toronto Area and to amend the Environmental Protection Act.

Motion agreed to.

COMMITTEE SITTINGS

Mr Cooke moved that with the agreement of the House leaders and whips of each recognized party, committees may meet during the recess between the first and second sessions of this Parliament at times other than those specified in the schedule tabled today with the Clerk of the assembly to consider matters referred to them by the House or to consider matters designated pursuant to standing order 123.

Motion agreed to.

COMMITTEE REPORTS

Mr Cooke moved that committees be authorized to release their reports during the recess between the first and second sessions of this Parliament by depositing a copy of any report with the Clerk of the assembly, and on the second sessional day of the second session of the 35th Parliament the Chairs of such committees shall bring any such reports before the House in accordance with the standing orders.

Motion agreed to.

STATUS OF BUSINESS

Mr Cooke moved that notwithstanding the prorogation of the House, the order of the House of Wednesday, October 23, 1991, with respect to Bill 118, An Act to amend the Power Corporation Act, the order of the House of Tuesday, December 10, 1991, with respect to Bill 143, An Act respecting the Management of Waste in the Greater Toronto Area and to amend the Environmental Protection Act, and the order of the House of December 20, 1990, as amended with respect to the select committee on Ontario in Confederation be continued in the recess between the first and second sessions of this Parliament and in the second session of the 35th Parliament.

Motion agreed to.

COMMITTEE MEMBERSHIP

Mr Cooke moved that the membership of the select, special and standing committees in the recess between the first and second sessions of this Parliament be provided in writing to the Clerk of the House prior to January 8, 1992, by the respective whips of the three parties in the House.

Motion agreed to.

INQUIRY BY STANDING COMMITTEE ON
THE LEGISLATIVE ASSEMBLY

1. Mr Cooke moved that the standing committee on the Legislative Assembly shall meet for the purposes of an inquiry. The terms of reference of this inquiry include but are not limited to: an investigation into the disclosure of confidential information emanating from the Ministry of Health, including documentary and viva voce evidence; an investigation of the Minister of Northern Development and Mines in Thunder Bay, Ontario, on December 5, 1991, and the events leading up to her attendance in Thunder Bay; an investigation into the dissemination of information obtained from the Ministry of Health.

2. All necessary documentary evidence, including confidential files, shall be produced for review by the subcom-

mittee of the committee under the auspices of the Information and Privacy Commissioner.

3. The Legislative Assembly committee for the purpose of this referral is to be chaired by a member of the official opposition.

4. The subcommittee of the committee be composed of one representative from each party plus the Chair.

5. The subcommittee shall have the ultimate decision-making power with respect to the calling of witnesses and any other procedural aspects of the proceedings and all matters arising relevant to the execution of the terms of reference of the committee. A minimum list of witnesses will be determined by the House leaders; additional witnesses to be determined by the subcommittee. Length of time the committee will have to hold hearings and write its report will be determined by the House leaders.

6. There shall be a committee counsel hired and directed by the subcommittee paid for by the Legislative Assembly.

7. The subcommittee can through Speaker's warrant compel the attendance of any person to attend and give evidence.

8. The subcommittee can through Speaker's warrant require any person to produce in evidence such documents and things as the subcommittee may specify.

9. The members of the committee and/or their counsel shall be permitted, upon swearing an oath of non-disclosure, to obtain production and review of any document or thing and disclosure of any viva voce evidence necessary and ancillary to the purpose of this investigation.

10. If there shall be any objection to the disclosure of information based upon the Freedom of Information and Protection of Privacy Act, the committee may continue the proceedings in camera.

11. The final report of the committee and/or any dissenting report must not disclose the names of any individual or group obtained from a confidential source but may disclose any information obtained provided that it is not attributable to any identifiable source and is not in contravention of the Freedom of Information and Protection of Privacy Act.

12. Prior to the commencement of the committee hearings the subcommittee may require the attendance of any person or production of any document for the purpose of a preliminary examination for discovery subject to the oath of non-disclosure as outlined in paragraph 10 above.

13. The Legislative Assembly committee has priority over all other committees with respect to its sitting time and in any event, the committee shall not sit as a committee prior to the 10th day of February 1992.

14. Any witness compelled to appear before the committee may attend with counsel and shall be required to give testimony upon oath pursuant to section 58 of the Legislative Assembly Act.

15. The subcommittee may if requested permit any portion of its proceedings to occur in camera.

Motion agreed to.

Hon Mr Cooke: Mr Speaker, His Honour awaits to give royal assent.

2200

His Honour the Lieutenant Governor of Ontario entered the chamber of the Legislative Assembly and took his seat upon the throne.

ROYAL ASSENT

SANCTION ROYALE

Hon Mr Jackman: Pray be seated.

The Speaker: May it please Your Honour, the Legislative Assembly of the province has, at its present sittings thereof, passed certain bills to which, in the name of and on behalf of the said Legislative Assembly, I respectfully request Your Honour's assent.

Clerk Assistant and Clerk of Journals: The following are the titles of the bills to which Your Honour's assent is prayed:

Bill 83, An Act to amend the Income Tax Act / Projet de loi 83, Loi portant modification de la Loi de l'impôt sur le revenu;

Bill 84, An Act to amend the Tobacco Tax Act / Projet de loi 84, Loi portant modification de la Loi de la taxe sur le tabac;

Bill 85, An Act to amend the Fuel Tax Act, 1981 / Projet de loi 85, Loi portant modification de la Loi de 1981 de la taxe sur les carburants;

Bill 129, An Act to amend the Truck Transportation Act, 1988 / Projet de loi 129, Loi portant modification de la Loi de 1988 sur le camionnage;

Bill 135, An Act to provide for the Payment of Physicians' Dues and Other Amounts to the Ontario Medical Association / Projet de loi 135, Loi prévoyant le paiement des cotisations des médecins et d'autres montants à l'Ontario Medical Association;

Bill 140, An Act to amend the Teachers' Pension Act, 1989 and the Teaching Profession Act / Projet de loi 140, Loi modifiant la Loi de 1989 sur le régime de retraite des enseignants et la Loi sur la profession enseignante;

Bill 144, An Act to amend certain Acts administered by the Ministry of Agriculture and Food / Projet de loi 144, Loi modifiant certaines lois dont l'application relève du ministère de l'Agriculture et de l'Alimentation;

Bill 151, An Act to amend the Ontario Municipal Employees Retirement System Act and the Municipal Act / Projet de loi 151, Loi modifiant la Loi sur le régime de retraite des employés municipaux de l'Ontario et la Loi sur les municipalités;

Bill 156, An Act to amend the Financial Administration Act / Projet de loi 156, Loi modifiant la Loi sur l'administration financière;

Bill 158, An Act to amend the Labour Relations Act with respect to the Industrial, Commercial and Institutional Sector of the Construction Industry / Projet de loi 158, Loi modifiant la Loi sur les relations de travail en ce qui a trait au secteur industriel, commercial et institutionnel de l'industrie de la construction;

Bill 163, An Act to amend the Legislative Assembly Act / Projet de loi 163, Loi modifiant la Loi sur l'Assemblée législative;

Bill Pr25, An Act respecting the City of Toronto;
Bill Pr53, An Act respecting the City of Hamilton;
Bill Pr81, An Act respecting the Town of Whitchurch-Stouffville;

Bill Pr85, An Act respecting the City of Toronto;
Bill Pr99, An Act respecting the City of Windsor;
Bill Pr104, An Act to revive The Church of the Torontonians;

Bill Pr109, An Act to revive Federated Women's Institutes of Ontario, Bay of Quinte Branch;

Bill Pr110, An Act respecting the City of Nepean;

Bill Pr113, An Act to revive Hotstone Minerals Limited;

Bill Pr114, An Act to revive Tasmaque Gold Mines Limited;

Bill Pr115, An Act to revive Pittsonto Mining Company Limited;

Bill Pr116, An Act to revive Sunbeam Exploration Company Limited;

Bill Pr117, An Act to revive Petittclerc Mines Limited;

Bill Pr118, An Act respecting the City of Hamilton;

Bill Pr119, An Act to establish the West Nipissing Economic Development Corporation.

Clerk of the House: In Her Majesty's name, His Honour the Lieutenant Governor doth assent to these bills.

Au nom de Sa Majesté, Son Honneur le lieutenant-gouverneur sanctionne ces projets de loi.

The Speaker: May it please Your Honour, we, Her Majesty's most dutiful and faithful subjects of the Legislative Assembly of the province of Ontario, in session assembled, approach Your Honour with sentiments of unfeigned devotion and loyalty to Her Majesty's person and government, and humbly beg to present for Your Honour's acceptance a bill entitled An Act to authorize the payment of certain amounts for the Public Service for the fiscal year ending on the 31st day of March, 1992.

Clerk of the House: His Honour the Lieutenant Governor doth thank Her Majesty's dutiful and loyal subjects, accept their benevolence and assent to this bill in Her Majesty's name.

Son Honneur le lieutenant-gouverneur remercie les bons et loyaux sujets de Sa Majesté, accepte leur bienveillance et sanctionne ce projet de loi au nom de Sa Majesté.

His Honour the Lieutenant Governor was pleased to deliver the following gracious speech.

Hon Mr Jackman: Mr Speaker, members of the Legislative Assembly, ladies and gentlemen:

The First Session of the 35th Parliament has been both productive and challenging.

As outlined in the 1991 budget, the inherited deficit and the most severe recession since the 1930s have placed enormous fiscal pressures on the province. Revenues have declined and job losses have escalated.

Pour lutter contre la récession, le gouvernement a adopté plusieurs mesures qui ont une importance critique pour amenuiser les terribles conséquences de cette dure période économique pour la population ontarienne.

The anti-recession program injected \$700 million into capital works and job creation programs during 1991-1992.

The employee wage protection program was established to ensure that workers would not endure the brunt of business failures. Innovative worker ownership legislation permits workers to invest in and restore to profitability companies that may otherwise have closed.

The recession has seriously hurt Ontario business. The \$57-million manufacturing recovery program was designed to provide bridge financing to companies encountering short-term financial difficulties. Currently, details are being finalized on an agreement that will see the Urban Transportation Development Corp continue to operate as a leading-edge firm in the transportation sector.

The local economies of many Ontario communities have been damaged during the economic downturn. In Kapuskasing, government-led negotiations culminated in an agreement between the workers, community, Ontario Hydro and the private sector to save the Spruce Falls mill. This example of worker ownership will preserve jobs, modernize the mill and contribute to the continued viability of the local economy. For Elliot Lake, a \$250-million adjustment package was approved to assist the community make its transition to a more diversified economy from one that was dependent on uranium mining.

A recession is particularly severe for society's most vulnerable people. This government is committed to protecting the vulnerable to the greatest extent possible. In 1991-92, it allocated an additional \$215 million to social assistance reform through its Back on Track initiative. This is the single largest improvement to the social assistance benefits structure in Ontario history. Legislation was enacted to ensure that single parents especially, and their children, could be guaranteed support payments as awarded by the courts. Ten thousand units of non-profit housing have been funded. Ontario's minimum wage was given a sharp boost.

Farm income has suffered. The government has directed \$90 million to income stabilization and interest relief programs.

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Recognizing that governments must lead by example, the salaries of MPPs and public service executives and senior managers will be frozen for 1992. Ontario taxpayers have been relieved of the onerous debt burden of SkyDome through successful negotiations with the private sector.

Future prosperity lies in the economic renewal of Ontario. Central to the province's success will be increased co-operation between business and labour. Consultations have begun on establishing the Ontario Training and Adjustment Board to ensure that skills training and labour adjustment programs are developed, through partnership, to support a skilled and flexible future labour force. Discussions are also under way on reforms to the Ontario Labour Relations Act to enhance the role organized labour can play in renewing the province's economy. To contribute to Ontario's economic future, programs such as the Ontario technology fund and the centres of excellence program have been renewed.

Important advances were made in the government's social justice agenda. The first step in child care reform involved an expansion of the non-profit sector. Extensive programs have been launched to combat wife assault and sexual assault. The government appointed the province's first employment equity commissioner and work has begun on the legislation that will achieve employment equity. Legislation to extend pay equity to women in organizations where no male comparators exist was tabled. The Advocacy Act has been introduced to provide advocacy services to vulnerable Ontarians.

On August 6, the Premier and the minister responsible for native affairs with 14 representatives of the first nations signed the historic Statement of Political Relationship. In addition, \$48 million has been targeted to improve aboriginal quality of life.

Last spring, a landmark agreement was reached with the Ontario Medical Association that underscored the mutual commitment of government and physicians to controlling health costs while preserving the principles of medicare. The Regulated Health Professions Act culminates a decade of work and it will improve the quality of medical care through the regulation of 24 self-governing professions.

Common pause day legislation, with Sunday shopping permitted in December, will assist the retail sector while ensuring that workers and their families have the right to enjoy Sundays together.

The environment remains a top government priority. Twenty-eight million dollars will be dedicated to the 3R program: reduce, reuse and recycle. Supporting legislation has been introduced that will result in waste reductions of 50% by the year 2000.

Legislation that is being carried over to the next session will create a fairer and a more affordable system of automobile insurance and combines the best features of a court-based system with the advantages of no-fault benefits. The Rent Control Act will protect tenants against exorbitant rent increases while promoting the upkeep of rental property. Amendments to the Power Corporation Act will make Ontario Hydro more accountable to the public. A bill to resolve the long-standing dilemma of Toronto Island residents will be enacted.

Honourable members, I commend the progress you have made this session. In closing, may I take this opportunity to wish you a safe and pleasant holiday season.

Au nom de notre souveraine, je vous remercie. In our sovereign's name, I thank you.

Je déclare cette session prorogée. I now declare the session prorogued.

Hon Mr Cooke: Mr Speaker, members of the Legislative Assembly, it is the will and the pleasure of His Honour the Lieutenant Governor that this Legislative Assembly be prorogued and this Legislative Assembly is accordingly prorogued.

The House prorogued at 2215.

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